No. 32,350

U.S. Talks

To Allies

On Treaty

Nitze and Perle

Discuss U.S. View

On ABM Accord

By James M. Markham

New York Times Service

BONN - Two senior U.S. offi-

cials began consultations with

West European allies Wednesday to explain the Reagan administra-tion's preference for the so-called

'broad" interpretation of the anti-

ballistic missile treaty that would

permit expanded testing of space

The envoys, Paul H. Nitze, a spe-

cial adviser to President Ronald

Reagan, and Richard N. Perle, an

assistant secretary of defense, met

in London with Prime Minister

Margaret Thatcher and Sir Geoffrey Howe, the foreign secretary, and later went to Bonn for talks

with Chancellor Helmut Kohl. The

chancellor indirectly expressed

concern about Washington's

being described as a "consultation"

with the allies, there was consider-

in order to blunt the impact of his

message. One of Mr. Nitze's points

was reported to be that there has

been such progress in research into

anti-missile systems that could be included in the Stratege Defense

Initiative that a wider interpreta-

tion of the treaty had become im-

The choice of Mr. Nitze ap-

peared designed to reassure the al-

lies, who tend to regard him as a

moderate within the U.S. adminis-

tration. But various European offi-

cials said that the dispatch of Mr.

Perle — who is on record as saying

The shift to the new interpreta-

pressed hope at the prospects for

drive by Mikhail S. Gorbachev, the

Soviet leader, for reforms could

an arms control agreement.

Although the West Europe trip is

veanons.

# Tower Panel Believes Reagan Knew About Iran Arms Sales

Vew York Times Service

WASHINGTON - The Tower Commission has concluded that President Ronald Reagan, far from being remote from the administration's Iran arms dealings, was briefed on them regularly as they took place, according to officials familiar with the commission's re-

The officials said the report, which is scheduled to be made public on Thursday, would show that Mr. Reagan frequently discussed the Iran initiative at morning meetings with Vice Admiral John M. Poindexter, then his national security adviser.

But the report also says the president's participation in those discussions was minimal. Often he simply asked questions about the American hostages being held in Lebanon and told anecdotes, according to an official who has seen the report.

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scribed as a "pattern of free-lancing" by Lieutenant Colonel Oliver North, the National Security

Delay is sought in confirma-tion of a CIA chief until after the Iran inquiry. Page 3.

Council aide who was dismissed in November following the first dis-closures that the United States had sold arms to Iran and that some of the proceeds had been diverted to the Nicaraguan rebels.

Officials added that the report ays that Colonel North carried out policies on arms sales to Iran and the supply of aid to the contras, as the rebels are known, that went far beyond what the White House in-

In addition, the commission has information that supports asser-

The report by the special presidential commission is also said to describe what one official deades the need to formulate a policy on Iran that would give him "deniability.

> The Tower Commission, named for its chairman, John G. Tower, the former Republican senator from Texas, was appointed by Mr. Reagan to investigate the operations of the National Security Council in the Iran-contra affair. The president acknowledged on

> Tuesday that he could not remember whether he gave advance ap-proval of the first shipment of arms to Iran in September of 1985. Appearing before a group of business executives, Mr. Reagan

> said in response to a question, think it's possible to forget." "I'd like to ask one question of everybody," he said. "Everybody who can remember what they were doing on Aug. 8, 1985, raise your

See INQUIRY, Page 5



Shiite women in Beirut mourned the deaths of Hezbollah militants by Syrian troops.

#### able evidence that it is an element in a process that is leading the Reagan administration to move for-Indian Judge Replaced in Bhopal Suit mally to the broad interpretation of the 1972 accord with the Soviet According to a U.S. official, Mr. Nitze went through three drafts of his "talking points" with the allies is "talking points" with the allies

It was not clear why Judge Pa-

By Steven R. Weisman

New York Times Service NEW DELHI - The presiding dge in the lawsuit over the Bhopal gas disaster has been replaced because of a disclosure that he had filed his own claim for damages in the case, Indian officials and law-

al sensitive rulings in the case without disclosing that he had earlier listed himself among the victims of the worst industrial accident in his-

confusion into the case and raised In an interview published the possibility of further delays in Sources close to the case said

> Union Carbide was understood ity, despite what its Indian lawyers say would be firm legal ground

Judge Patel had been hearing the

Is Weakened by Turmoil bility that some of the held there will be released."

By Edward A. Gargan

"It is incredible that this could

HONG KONG - Some China watchers based in Hong Kong have concluded that Deng Xiaoping, China's senior leader, has been severely weakened in the recent political turmoil in Beijing and may no longer exercise real power.

Mr. Deng, who twice rose from political oblivion in the 1970s, has been the principal force behind the economic restructuring that China has undergone since 1979.

The sweeping changes were introduced to free the country's lethargic economy from strong central control, using innovative management in some areas, a reliance on market forces for some products and private control of

most farm production. In contrast with the opinion of the China watchers, diplomatic analysts in Beijing and Washington say they generally believe that Mr. Deng remains firmly in charge despite the political and ideological upheaval

The analysts interviewed in Hong Kong, some of whom began watching China when it was closed to Western journalists, navigate partly by a careful scrutiny of the Chinese press, examining nuances and reading between the lines as the mainland Chinese do. They are not diplomats and sometimes take issue with diplomats posted in Beijing, but they have proven astute on past factional struggles inside Chi-

The Chinese and Western analysts interviewed said Mr. Deng and the innovators he brought to isolated and forced from the center

of power.
"I think he is now a lame duck." said a Hong Kong Chinese who has followed the situation on the mainland for several decades. "Deng rested on two legs, Hu Yaohang and Zhao Ziyang. One of those legs has been cut from under him."

On Jan. 16, Mr. Hu was stripped of his title as general secretary of the Communist Party after a month

China since the Communists took

of student demonstrations calling for democracy. Mr. Zhao, who is prime minister, was named acting general secretary of the Chinese party, which has 44 million mem-

over in 1949 took an equally negative view of Mr. Deng's situation. Some observers still imagine

# Hezbollah Sector Is **Sealed Off**

10,000 Mourners In South Beirut Protest Deaths

BEIRUT - Syrian troops sealed off a stronghold of the pro-franian Hezbollah organization in West Beirut on Wednesday after 23 Shi-ite Moslem militants were killed in the Syrian security drive Tuesday

A car bomb later injured at least 12 persons in the Shiite Moslem part of southern Beirut on Wednesday. It exploded shortly after a large funeral procession in which the deaths of the Hezbollah, or Party of God, fighters, were protested. Ambulances and fire engines rushed to the scene and the police said the casualty toll was incom-

In the funeral procession, more than 10,000 people marched through the city's southern suburbs, where Syrian troops who moved into West Beirut on Sunday have not yet deployed.

The mourners carried the bodies of Hezbollah members, wrapped in white sheets, on stretchers. They beat their chests and shouted, "Slowly, slowly, you Zionists — Hezbollah is on its way."

Residents said that Hezbollah fighters were placed on maximum alert following the violence late Tuesday night.

Militia sources said the gunfight Tuesday night raised the prospect of Syria sending troops into the southern suburbs, where foreign hostages are reported to be held.

Numerous reports have speculated that Hezbollah militants are the possible captors of some of the 26 foreigners missing and believed kidnapped in Lebanon. The organization has strongly denied any role in the abduction of foreigners.

Hezbollah's leaders, organization and precise fighting strength are all well-kept secrets in a city where most political and military matters are still open to discussion. despite almost 12 years of civil war.

Some of the hostages are said to be held in Beirut's southern districts, while there have been conflicting reports over the timing and possibility of Syrian intervention in the maze of closely packed houses

"If and when the Syrians go into the suburbs," one militia source said, "then there is a strong possi-bility that some of the hostages

Political sources have said that Terry Waite, the envoy of the Church of England who was reported kidnapped on Jan. 20, is

also held south of Beirut, ■ Hostages Said to Be Moved A Kuwaiti newspaper reported on Wednesday that Shiite extrem-

Since the student protests ended ists holding foreign hostages in Lebanon have moved some captives to the Iranian Embassy Beirut and others to southern Lebanon. The Associated Press reported (com Kuwait

In a dispatch from Paris, the dai-One analyst pointed to the brupt manner in which Mr. Hu Mr. Waite was being held hostage and was among the captives who had been moved to elude Syrian

The sources said that the warrant charges Archbishop Marcinkus, of Cicero, Illinois, as "an accessory to fraudulent bankruptcy" in Italy's biggest bank failure. The bank collapsed in 1982 with had debts of more than \$1.2 billion. A large part of that money had been loaned to financial houses in Panama in which the Vatican. through its bank, the Institute for Religious Works, had an in-

LATE NEWS

Vatican Banker

Wanted by Italy

MILAN - The Italian au-

thorities have issued an arrest

warrant against Archbishop

Paul Marcinkus, 65, who heads

the Vatican bank, in connection

with the collapse of the Milan-

hased Banco Ambrosiano.

court sources said Wednesday.

Archbishop Marcinkus has denied any wrongdoing. He lives in Vatican City, and the sources said the warrant could only be served if he stepped onto Italian territory.

#### **INSIDE TODAY**

Astronomers said they dis-

**GENERAL NEWS** 

covered a supernova much closer to Earth than any since one observed in 1604. Page 2. ■ An indictment of Michael K. Deaver was barred while a U.S. judge studied a challenge to the special prosecutor law. Page 3. ■ Foreign Minister Shimon Peres of Israel arrived in Cairo for talks on a Middle East peace

Page Z conference. # Bayaria ordered AIDS checks on prostitutes, drug addicts and foreigners seeking residence in the West German state. Page 3.

III The NCAA suspended the football program at Southern Methodist University for one Page 15.

#### BUSINESS/FINANCE

Prices of Brent crude fell below \$16 a barrel for the first time since December. Page 7. Britain blocked two companies in their bids for control of British Sugar PLC. Page 7.

# **Soviet Removes Radars**

missiles in a nuclear explosion. In a report to Congress, the Rea-gan administration said in March 1986 that Soviet development and testing of the radars "represents a potential violation of its legal obligations under the ABM treaty, because the radars could be erected within months with little advance

preparation.

Since then, the Soviets have removed most, if not all, of the radars at Sary-Shagan, which officials said never numbered more than five.

Georgi A. Arbatov, the director of the Institute for U.S. and Canadian Studies, that work on a more con-

General Fidel V. Ramos, chief of the Philippines military staff, left, and Agapito Aguino, brother-in-law of President Corazon C. Aguino, raise their hands as a symbol

of reconciliation between the military and civilians. They were at ceremonies Wednes-

day to mark the first anniversary of the removal of Ferdinand E. Marcos. Page 5.

Reagan administration to be a key part of alleged Soviet preparations to break out of the 1972 anti-ballisintelligence experts.

are trying to resolve a major con-cern raised by the United States.

Moscow has said nothing to clarify

ABM defense of its national terri-

This judgment is influenced in

part by recent statements from several Soviet officials, including

By R. Jeffrey Smith
Washington Post Service
WASHINGTON — The Soviet

Union has removed several missile defense radars that were said by the tic missile treaty, according to U.S.

Removal of the radars at the Soviet missile test center at Sary-Shagan, in Soviet Central Asia, began in the fall and was completed re-cently, the officials said, leading some experts at the State Department to speculate that the Russians

However, some officials at the Defense Department dispute this interpretation, arguing instead that removal of the radars indicates that the Russians are preparing for testing or deployment of more modern equipment. No hard evidence exists to support either view, and

The dispute concerns a large, drive for political renewal on phased-array radar with two faces known to American analysts as Flat Twin, and a smaller radar with the Soviet Union from lapsing into three spherical antennas known as stagnation. Pawn Shop. First erected in the early 1970s, the radars were designed to track ballistic missiles in the final stage of flight and then guide interceptors to destroy the or inertia and conservatism. There

The administration said this potentially violated a ban on "mobile, land-based" ABM radars. Viewed in concert with "other ABM-related Soviet actions," the administration report said, it suggested "that the U.S.S.R. may be preparing an

# Cited as Risk to Treaty

troversial radar near the Siberian city of Krasnoyarsk has been halted. Mr. Arbatov first made the remarks during a visit to the United States in December, according to U.S. experts. Administration officials and in-

dependent experts have called the Krasnoyarsk radar a violation of the ABM treaty because of its location away from the periphery of the

Intelligence information on the Krasnoyarsk radar, like the evidence on Flat Twin and Pawn Shop, remains ambiguous.

MOSCOW - Mikhail S. Gorba-

Wednesday, declaring that more

liberalization was essential to stop

Soviet trade unionists in the Krem-

in Palace of Congresses, Mr. Gor-

bachev said: "This is how we put

the question — either acceleration,

Developing a common theme of

'Jazz Section' Dissidents

Will Face Trial in Prague

VIENNA — Seven leading members of the Czecho-slovak Jazz Section, an independent cultural group that has been suppressed by the Czechoslovak authori-ties, are to go on at a Prague district court from March 10 to 12, the group's lawyer said Wednesday.

The lawyer, Josef Prusa, said by phone from Prague

that the group members would face charges of illegal commercial activities and of issuing publications for

profit. The offenses are punishable under Czechoslo-

The seven were arrested Sept. 2 when the Commu-nist authorities clamped down on the Jazz Section. The group acted as an unofficial publishing house and

a forum for young people dissatisfied with state-run

Two of the members of the group, Karel Srp. its

chairman, and Vladimir Kouril, its secretary, remain

in pretrial detention. The other five were released

ak law by up to eight years imprisonment.

culture and claims a membership of 7,000.

is no other choice."

Speaking at a congress of 5,000

Mr. Kohl said that a break- date all of Judge Patel's orders and Union abandoning its "all-or-nothquestion of its application of the ABM treaty and avoiding actions

Gorbachev Renews Call

For Soviet Liberalization

Before the two Americans met spokesman, Friedhelm Ost, confirmed that the interview reflected the government's view. After the the anti-missile research program.

Suggesting doubt about the wis-See ABM, Page 5

said that among his domestic oppo-

habits. But others, he said, are ex-

plicitly dissatisfied with his poli-

Mr. Gorbachev said the United

States and its allies, fearing the So-

under his leadership, were seeking

maintaining the arms race and in-

#### isocyanate gas spread through the tel's involvement in the case bad city. Indian government lawyers not come to light until now, or how now assert that many more people it became disclosed. His transfer have fallen ill since then, bringing was initially reported in the Indian the number of plaintiffs to a half press as resulting from the jealousy vers said Wednesday. million, more than half the populaof other judges. tion of Bhopal at the time.

Judge G.S. Patel had made sever-· In the past few days there were reports that a conflict of interest was involved, details of which were confirmed Wednesday by Indian officials and other lawyers. An In-

dian official said the government the broad interpretation will be adopted before Mr. Rengan leaves office in 1989 — suggested that Washington was moving toward effectively scrapping the treaty.

The Indian government, representation will be scraing \$90,000 plaintiffs, is suing Union Carbide Corp. for \$3 billion "It is incredible the have happened," said from a pesticide plant on Dec. 2-3, wolved in the case. " was dismayed and taken aback by have happened," said a lawyer in-1984. A new judge, M.W. Dev, took tion was viewed with apprehension over the case Tuesday in Bhopal.

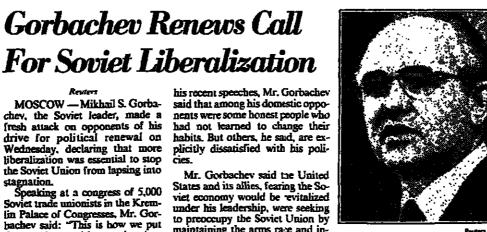
The removal of Judge Patel has claimant, it was his duty to disclose in the list was not discovered until The removal of Judge Patel has introduced new uncertainty and

Wednesday, Mr. Kohl said that a resolving the issues. that Union Carbide, which is based lead to a "watershed" arms control in Danbury, Connecticut, was considering whether to seek to invali-

through depended on the Soviet actions of the last several months. ing approach" and the United to be reluctant to take such a step States remaining flexible on the because of possible adverse publicthat would "create a fail accom- based on prohibitions against judicial conflict of interest.

with the chancellor, Mr. Kohl's Bhopal lawsuit since last fall and made several rulings objected to by Union Carbide. The irony of the situation, hor

meeting, Mr. Kohl's office issued a ever, is that Union Carbide had statement saying that the envoys argued that the case be tried in had described a "restructuring" of India rather than the United States. India had initially sought an American forum, saying that Indian courts were antiquated and incapa-



to preoccupy the Soviet Union by

BUDAPEST - Hungary's first conscientious objector on political grounds since Communist rule be-

at his apartment here, witnesses said. Zsolt Keszthelyi, a dissident magazine editor, had been ordered to report Wednesday for military service in the town of Kiskunfelegyhaza, but failed to do so. Witnesses said that one uniformed and one plainclother policeman briefly interrogated Mr. Keszthelyi before driving him away. The police raided his apart-

magazne, an underground publication called Abredoe Magyarsag, or Waking Hungarians. "I do not want to serve in an army which is not under the control of a constitutional government," Mr. Keszthelyi said in an interview before his arrest. "If I did I might be used to do anything — 1968 is an example of that," he added, referring to the Soviet-led

Warsaw Pact invasion of Czechoslovakia.

#### Mikhail S. Gorbachev "Imperialism and the forces of speaking to trade unionists in Moscow on Wednesday. See GORBACHEV, Page 5 Police in Hungary Arrest

**Conscientious Objector** gan in 1949 was arrested by the police on Wednesday

ment three weeks ago and confiscated copies of his

Another analyst who has studied

#### early this year, the Chinese press has railed against what it calls "bourgeois liberalization." The phrase is meant to encompass all views that advocate the introduction of Western ideas and values

More than 2,000 people died and

Union Carbide lawyers argue

that India has exaggerated the

numbers and brought insufficient

Officials involved in the case

said that because the list of plain-

tills is so nuge, taking up dozens of

volumes of computerized sheets,

and because Patel is a common

'bourgeois liberalism' cite his

really make fun of him, quoting his

words pronounced at moments

when he temporarily adopted

words of his enemies.

the analyst said. "They

evidence of their illness.

recently.

**China Experts Say Deng** 

200,000 were reported injured at the time as clouds of toxic methyl

abrupt manner in which Mr. Hu was removed as evidence of both Mr. Deng's weakened position and See DENG, Page 5

## Even the Sky Was Barred Begun Talks of 'Terrible' Solitude, Cold and Meager Diet in Soviet Jail

By Celestine Bohlen

Washington Post Service
MOSCOW — Once a day, after a breakfast of porridge and water, Josef Z. Begun and other political prisoners at Chistopol prison would be let out of their cells and be given either an hour or 30 minutes of exercise in a prison yard.

Mr. Begun, 54, a Jewish activist freed on Friday, has a keen memory of the dimensions of that yard. "Seven steps long, and four, maybe three steps across," he said Tuesday in an interview. The yard was paved with cement

and a metal grill was overhead. The walls were covered with lumpy cement so no one could write anything on them, he said. Prisoners could exercise only with their cellmates, or alone.

In the early mornings, the sun never shone through the grill, and yet, Mr. Begun said, "the rain could always reach you."

"It was like a well, like walking at the bottom of a well," he said. The grill above makes a special impression on people who have spent time in Chistopol: They call it "looking at the sky through metal netting."

Mr. Begun said that during the 22 months he spent in Chistopol the number of political prisoners varied from 18 to 32. When he left, at the end of the current round of releases decreed by the Soviet govthat he is in the saddle, as the most ernment, five prisoners remained, devastating articles written against he said, all convicted of espionage.

On Tuesday, Mr. Begun was in his Moscow apartment where the window looks out on trees and ground covered with snow. As he lalked, his wife, Inna, brought in dishes for a family meal, including stewed tomatoes and fresh cucum-

Mr. Begun, an energetic man with bright blue eyes and a gentle smile, was wearing a red-and-blue checked shirt and jogging pants, and his shaved head was covered with a blue varmulke. He and his family are still waiting for permission to emigrate to Israel, 16 years after he first ap-

plied. He said he would contin his activism as he had said he would in a letter to the Supreme Soviet, the national legislature of the Soviet Union. "I explained that trying to improve the state of the Jewish nation and culture is one of the factors of the process of democratization in

contrary, by this I will contribute my part to this process." On his second day back in Moscow, Mr. Begun seemed physically in good shape, despite a series of hunger strikes in prison.

this country," he said. "It won't be

a violation of the law, but on the

Mr. Begun turned to teaching Hebrew after he lost his job as a mathematician when he applied to emigrate to Israel in 1971. Convict-

ed in 1983 of anti-Soviet agitation. See BEGUN, Page 5

# Astronomers Say They've Found Closest Supernova Since 1604

By Malcolm W. Browne New York Times Service

NEW YORK - Astronomers report that the explosion of a star has apparently occurred much closer to Earth than any since the one observed by the astronomer Kepler

The discovery of the supernova was made Tuesday.

Because such nearby supernovas are so rare, and because it is being observed so early, the event is likely to have a dramatic impact on understanding how such explosions come about and how they have influenced the chemical composi-

tion of the universe. The blast occurred 50,000 years ago, but the light it generated is

Astronomers discover about one which all living things are made.

supernova a year in some part of

An ordinary star made mostly of ming Wednesday. It would be as "Their observer was exposing the universe, but because they are hydrogen converts most of its fuel bright as the planet Jupiter, he said. some routine astronomical photo-tronomical terms.

the violent deaths of very big stars ments as heavy as iron before that have used up most of their crupting as supernovas, which may nuclear fuel and are forced by their generate even heavier elements that gravity to collapse on themselves. are blasted into space. The collapse releases so much energy that a final cycle of nuclear fusion occurs, and the resulting explosion briefly produces more light than does an entire galaxy of hun-

Among the many reasons astronomers are interested in supernovas is that they are thought to create

dreds of millions of stars.

so far away, no supernova has ever by the fusion process into helium been observed by modern instru- and then dies. But stars substanments during its earliest phases. tially larger than the sun may con-All supernovas are believed to be time the fusion cycle, creating ele-

> Dr. Robert E. Williams, director of Cerro Tololo Interamerican Observatory in Chile, said Tuesday that astronomers throughout the Southern Hemisphere were preparing their telescopes for intense scrutiny of the phenomenon.

He said that if the object lived up most of the heavy elements in na-to expectations, it was likely to be-ture, including the carbon from come the brightest star in southern skies for the next 10 days, begin- panas, Chile.

on the horizon. But for observatories in Chile, Australia and South Africa, it will be within easy view.

team would attempt to televise its may be sure we'll make the most of The brightest part of a superno-

The object will not be visible in graphs" that had been made with a The nearest full-size galaxy to most of the Northern Hemisphere, although people living as far north as Brownsville, Texas, might at come noint set a slimbse of it low none," Dr. Williams said, adding:

tather small telescope "when he no mers as M-31, the Great Nebula in Andromeda, which is more than two million light years away. Most come noint set a slimbse of it low none." Dr. Williams said, adding: "By that time the sun was begin- other galaxies are many hundreds ning to rise, and further observa- of millions of light years distant. tions were impossible. But this is an and when supernovas are spotted Dr. Williams said that because of the event, his cur in his or her lifetime, and you study.

immediate use of them.

He said the discovery was made shortly before dawn Tuesday by observers at the University of Toronto observatory at Las Campanas, Chile.

The apparent supernova was observed in the Greater Magelianic The 1604 explosion left a residue visible through telescopes today as a faint nebula of glowing gas.

Three supernovas have been recommended to the considered satellite galaxies. The commended to the proportionity."

The apparent supernova was observed in the Greater Magelianic The 1604 explosion left a residue visible through telescopes today as a faint nebula of glowing gas.

Three supernovas have been recommended to the proportionity."

nova is 50,000 light years from in 1054, 1572 and 1604.

Demjanjuk

Is Spurned

JERUSALEM - A survivor of

the Treblinka concentration camp

spurned on Wednesday the out-stretched hand of John Demjanjuk

in an Israeli courtroom and accused him of being the sadistic gas

chamber operator known as "Ivan

After approaching Mr. Demjan-juk, Eliyahu Rosenberg, 65, de-clared: "Ivan. Without a shadow of

a doubt. Ivan from Treblinka, from

looking at now."

the gas chambers — the man I am

"I saw the murderous eyes, the

face," Mr. Rosenberg said, adding:

"How dare you give me your hand, you murderer?" His comment drew

a rebuke from the presiding judge. Mr. Demjanjuk, 66, a retired

American auto worker who was

born in the Ukraine, has denied he

was ever in the World War II death

camp in Poland. An estimated

870,000 Jews were killed in the

camp during the Nazi occupation.

week, Mr. Demjanjuk is charged with crimes against humanity and the Jewish people. He faces the death penalty if convicted.

As Mr. Rosenberg, the second

Holocaust survivor to testify in the

trial, left the witness box to look

In the trial, which began last

# **WORLD BRIEFS**

U.K. Urged to Act on 6 Nazi Suspects LONDON (UPI) — Members of Parliament urged the government Wednesday to act against at least six suspected Nazi criminals who took

sanctuary in Britain after World War II. Home Secretary Douglas Hurd disclosed that an investigation prompted by the Simon Wiesenthal Institute of Los Angeles found that at least

uspected Nazis live in Britain. They were among 17 names provided by the institute in October as being guilty of crimes in 1940 against Jews in Nazi-occupied Lithuania and Latvia in what is now Soviet territory. Mr. Hurd said the investigation was continuing but that the crimes were committed before the suspects came to Britain.

### Abdallah Called 'Small' Terror Chief

PARIS (AP) — A senior French counterintelligence official said Wednesday that he doubted Georges Ibrahim Abdallah is the head of the terrorist group blamed for killing American and Israeli diplomats in

Mr. Abdallah, on trial on charges of complicity in number and attempted murder, often has been described by the police and terrorism experts as the head of the Lebanese Armed Revolutionary Factions, or

FARL, which claimed responsibility for the attacks.

But Raymond Nart, deputy director of the counterintelligence agency
DST testified that he considered Mr. Abdallah at best a "small chief," not
the group's overall head. "As to the real head of FARL, I have several
ideas," Mr. Nart said. He added that he thought Mr. Abdallah was "the
head of a commando team; he's a little chief." Offers Hand,

#### U.S. High Court Backs Rights Plan

WASHINGTON (AP) — The U.S. Supreme Court upheld on Wormsday a plan for promoting equal numbers of blacks and whites on the Alabama State Police force.

By a vote of 5-4, the court ruled that the affirmative action plan did not violate the U.S. Constitution. The plan forces the state police to promote one black trooper for every white promoted until blacks comprise 25

percent of upper-rank officers. The ruling is a defeat for the Reagan administration, which argued that the quota was "profoundly illegal." The administration argued that the plan was arbitrary and a form of reverse discrimination that violates the equal protection guarantees contained in the constitution.

#### Zambia Releases 4 South Africans

JOHANNESBURG (Reuters) - Four South Africans who were held for nine months in Zambian jails on charges of spying returned home Wednesday. Their lawyer denied Zambia's allegations that the four had

been spying for Pretoria.

President Kenneth Kaunda of Zambia said earlier that he was releasing the four on humanitarian grounds, although he said they had admitted working for South African intelligence at the time of their arrest in May. They were held a week after South African planes raided alleged antiapartheid guerrilla targets in Lusaka, the Zambian capital.

Mr. Kannda said at a press conference that the men - Randolph Keyser, Rudolf Otterman, Bernhardt Koch and Duncan Vause - had planned their trip to Zambia as genuine tourists but were later persuaded by South African agents to carry out acts of destabilization. The four were met on their arrival by Foreign Minister R.F. Botha.

#### Gene Defect Linked to Mental Illness

NEW YORK (AP) - A study of manic-depressive disease in three generations of a family has shown for the first time that delective genes can cause psychiatric disorders, and scientists say the finding could help closely at the accused at the prose them understand a wide range of mental illness.

closely at the accused at the prose-cution's request, Mr. Demianiuk "It's an extremely important opening into molecular genetics and removed his glasses and held out his hand in apparent greeting.

them understand a wade range or menual tuness.

"It's an extremely important opening into molecular genetics and molecular biology for the major mental disorders," said Dr. Darrel Regier of the National Institute of Mental Health.

The work should promote studies that lead to better understanding of such illnesses as schizophrenia and auxiety disorders, he said. Previous Mr. Rosenberg, a retired port studies had suggested that genetics could contribute to psychiatric worker who escaped from the camp disorders. But the new finding is the first demonstration of a genetic during a revolt by prisoners in Audefect in a mental disease that shows no anatomical abnormalities in the
suct 1943, said that others who fled

# Vietnam Says Troops Lack Necessities

BANGKOK (UPI) — Vietnamese soldiers lack the necessities for decent living and some corrupt officers have stolen from their troops, the

Vietnamese Army newspaper Quan Doi Nhan Dan said.
In an undated article quoted by Radio Hanoi on Wednesday, the newspaper said military leaders were failing in their "greatest and most specific responsibility" by providing inadequate living conditions for their troops. "It is even more culpable that while units are in short supply of everything to meet the troops living demands, some cadres are correst and wasteful and have even shortchanged the troops' rations," it said.

The charges follow the removal of the defense minister, General Van Tien Dung, the hero of the victory over South Victory, in a cabinet reorganization earlier this month.

#### For the Record

Foreign Minister Kunt Frydenland of Norway was hospitalized Wednesday after collapsing with a heart attack at the Fornebu Airport in Oslo, the Foreign Ministry announced. He was returning from a Nordic Council meeting in Helsinki.

A New York woman who was arrested by East German border guards was released Wednesday and has returned to the Western sector of the city, a U.S. spokesman said. Susan Kleckner was seized Tuesday after she climbed the Berlin Wall and began taking photographs.

# Strike Threatened At U.K. Navy Yard

PLYMOUTH, England -Trade union leaders at Devouport Royal Navai Dockyard threatened Wednesday to call a strike by the yard's 11,000 workers and start court action because the govern-ment is bringing in an American-

led consortium to manage the yard. The Conservative government of Prime Minister Margaret Thatcher signed a contract Tuesday with the consortium, led by the British sub-

group, Brown and Root.
The consortium, which plans to cut the Devouport work force by 2,300 over four years, will run the state-owned yard under a sevenyear contract starting April 6. The yard is one of Britain's two main maintenance and repair facilities for its naval ships. The other, at Rosyth in Scotland, is expected to be handed over shortly to private

management under a similar con-

THEY LOOK UP AT THE

KNOWING, ROMANTIC

ME TIME AND EXCHANGE

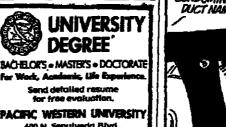
sidiary of an American offshore

#### **DOONESBURY**



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# Peres Begins Cairo Visit To Seek Mideast Talks

mon Peres of Israel arrived here at an international peace confer-Wednesday to meet with President ence. Hosni Mubarak and other Egypcould reach an accord to open the

"We've agreed on many points. but there are still two or three posed to such a conference. points that remain to be agreed are alternatives or if there are ways government. or means to overcome difficulties."

Mr. Peres met with the Egyptian foreign minister, Esmat Abdel Meguid, on Wednesday evening. He is to meet Mr. Mubarak on Thursday.

#### U.K. Priest Quits; Opposes A-Arms

LONDON - The Reverend Bruce Kent said on Wednesday he has decided to retire from active ministry in the Roman Catholic Church to concentrate on anti-nu-

Father Kent said: "I no longer find it possible to cope with the said. Reports in Jerusalem said that strain resulting from the tensions between my pastoral role, which means so much to me, and what is thought to be an unacceptable political role." He added that he would remain a member of the

Vice chairman of the Campaign ganization. for Nuclear Disarmament, Father Christian duty to speak against endorsement for such a meeting on

government policies.

The Associated Press Both sessions were expected to fo-CAIRO—Foreign Minister Shi-

Prime Minister Yitzhak Shamir tian leaders, saying he hoped they of Israel, who switched jobs in October with Mr. Peres as part of a way for a Middle East peace con-rotation agreement between the rightist Likud bloc and Mr. Peres's

Labor Party, remains sharply op-Mr. Shamir favors only direct upon," Mr. Peres said at the airport Arab-Israeli negotiations and has before visiting a synagogue in cen- warned that the issue could threat-

tral Cairo. "I am here to see if there en the existence of Israel's unity "It is a known fact that we have differences of opinion," Mr. Shamir said Wednesday in remarks broadcast on Israel Army radio.

In defiance of Mr. Shamir, Mr. Peres restated on Wednesday his support of an international confer-"I think Jordan, Egypt and Israel do agree that we have to negotiate

directly," he said, "but to open direct negotiations we need an inter-He added, however, that the pro-

cedures and participants had to be agreed on before such a meeting. Mr. Peres brought to Cairo a list of possible Palestinian participants acceptable to Israel, a senior govthe Egyptians would present their

own list to Mr. Peres. Israel, which since 1967 has occupied the West Bank and Gaza Strip where 1.4 million Palestinians live, refuses to negotiate with members of the Palestine Liberation Or-

Secretary of State George P. Kent said the strain could only in- Shultz of the United States said crease as British general elections, Feb. 17 that the United States fahe followed what he said was his European Community added its

Monday.

# Getty Museum Sets Another Record

By Souren Melikian nal Herald Tribun PARIS - The J. Paul Getty Museum has paid a record \$4.07 million at Sotheby's in New York for "The Farewell of Telemachus and Encharis," a mythological picture painted in 1818

by Jacques-Louis David.
The sale on Tuesday illustrates the increasing competition in the museum world, particularly in the United States, for famous names, no matter what kind of

work these may be attached to. David, who became famous in his own time as the leader among French artists cultivating the Neo-Classical style, is, to this day, widely considered the most remarkable artist of that school in France.

A militant leftist under the French Revolution and, later, an ardent supporter of Napoleon, he painted two of the bestknown paintings relating to major contemporary events: "Le Serment du Jeu de Paume" and "Le Sacre de Napoleon." Both are hanging in French museums. It is for such pictures that David has been sought after in the last decade or so.

The huge price paid for a work executed in Brussels, where Da-vid had to take refuge after the fall of Napoleon in 1815, has no precedent at auction. No David painting has appeared on the open market in recent years.

The most important work of his recently negotiated in the private market, a portrait of a Dutch ambassador, was reportedly sold in the summer of 1985 by Daniel Wildenstein for an undisclosed amount, believed to have been considerably lower than the New York painting. It is now in the National Gallery in

"The Farewell of Telemachus

and Eucharis" anticipates the dealer, is a portrait of the daugh-



A detail of "The Farewell of Telemachus and Eucharis." bought by the J. Paul Getty Museum for \$4.07 million.

later trend in 19th-century academic painting of the kind called pompier, or kitsch, on which David exercised considerable influ-

Its rose-water brand of eroticism is typical of continental tastes in Europe after the fall of Napoleon, with its attempt at blending Neo-Classical iconography, including the pseudo-Greek garb, and the sensuous style favored by 18th-century French painters such as Jean-

When it last appeared at auction in 1950, it made \$3,950. According to trade sources, the picture then left for South America where it was recently "discov-

This is the second David ac-

The latest purchase is in lir with other recent buys in the field of Old Master and 19thcentury paintings or drawings. The work carries the name of a well-known artist. It is dated. It was commissioned by a member of the famous collecting family Schönborn, who also commis-

In short it is thoroughly documented. The same remarks apply to the museum's latest auction buy before the David, a sheet with three minute sketches in pen and ink by Leonardo acclosed amount from a U.S. eby's for another record price, \$3,74 million.

Marc Natuer.

quired by the museum. The oth-

ters of Joseph Bonaparte, dated 1821. John Walsh, director of the Getty Museum, notes that both pictures were known in the 19th century and were then lost sight

Bavaria, Count Erwin von sioned "Amor and Psyche," now

his hand in apparent greeting.
Mr. Rosenberg drew back and shouted, "You bandit." gust 1943, said that others who fled brain, he said had told him that prisoners had exaggerated when they said that they had killed many of their

"In the woods, I met people I didn't know from the camp. testified. He said they had told him "that during the uprising people burst into the barracks of the Germans and Ukrainians and delivered murderous blows."

Mr. Rosenberg's testimony is important in the case against Mr. Demianjuk, who says he is the vic-tim of mistaken identity. Mr. Ro-senberg testified in 1947 that Ivan may have been killed.

However, he said Wednesday that he learned that his 1947 deposition in Vienna, given to the Nazi-hunter Tuvia Friedmann, was untrue when he attended a war crimes trial in Düsseldorf in 1964. "Then I saw those guards face to

face," Mr. Rosenberg said. He said he knew then that the story about killing guards was false. "It was boasting," he said.

#### Austrian Powdered Milk Barred From Emirates

ABU DHABI — The United Arab Emirates has banned two brands of Austrian powdered milk, saying they contained excessive ra-

The Emirates began routine testing of imported food for radiation after the Chernobyl nuclear disaster in the Soviet Union last year.



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# **Deaver Indictment** Barred on Issue of Special Prosecutor

reached for comment

found evidence that associates of

Mr. Deaver also might have con-

Mr. Deaver would be the first

person indicted under the Ethics in

Government Act, which requires

appointment of an independent

counsel when high-ranking govern-

ment officials are accused of

wrongdoing.
He has been under scrutiny by

the independent counsel since last summer, chiefly regarding allega-tions that Mr. Deaver had violated

ethics laws that restrict lobbying by

former government officials. Mr.

Deaver has repeatedly denied

Word of a pending indictment

against Mr. Deaver came as Lieu-

tenant Colonel Oliver L. North, the

focus of a special prosecutor's in-

vestigation into the Iran-contra

arms affair, went to court Tuesday

to attempt to overturn the specia

In a lawsuit, Colonel North ar-

gued that the law infringed on the

prosecutorial right of the executive

branch. The suit asked that the in-

vestigations of all special prosecu-

tors, including Mr. Seymour, be

lar lobbying firm in Washington.

rea and Puerto Rico.

Inquiries have focused on wheth-

wrongdoing.

prosecutor law,

spired to violate the ethics law.

WASHINGTON - A federal judge temporarily barred on Wednesday the indictment of Michael K. Deaver, the former White House deputy chief of staff, ruling that Mr. Deaver had raised "sub-stantial questions" about the constitutionality of the 1978 law on

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special prosecutors.

The ruling by Judge Thomas
Jackson of U.S. District Court not only throws into limbo a ninemonth investigation of Mr. Deaver's private lobbying practice, but also undoubtedly will pose ramifications for the investigation of the Iran-contra affair.

The raling followed reports that Mr. Deaver, a close friend of President Ronald Reagan, has been warned that he must plead guilty to criminal charges or face indictment

by a federal grand jury.

People with knowledge of the investigation told The New York Times on Tuesday that the independent counsel, or special prose-cutor, in the case, Whitney North Seymour Jr., had asked that Mr. Deaver plead guilty to two felony counts. One count involves violations of federal ethics laws in his work as a Washington lobbyist; the other charge, one source said, could

be perjury.

Acting on a lawsuit by Mr. Deaver, Mr. Jackson issued a 10day temporary restraining order blocking Mr. Seymour from issuing a four-count perjury indictment against Mr. Deaver.

The judge ruled there would be no harm to the pending case against Mr. Deaver to delay it while he considers the constitutionality of the Ethics in Government Act of

If an indictment were returned immediately and the law later was nullified. Mr. Deaver may suffer damages that "could never fully be redressed," the judge said.

■ Jury to Decide Philip Shenon of The New York

Times reported earlier from Wash-The sources samiliar with the Deaver case had cautioned that the

federal grand jury overseen by Mr. knowledge of the investigation, Mr. Seymour might reject the prosecutor's argument and refuse to indict lawyers on Tuesday. Mr. Seymour Mr. Deaver. However, grand juries offered them the choice of pleading tend to follow the suggestions of

One said he understood that Mr. serious charges.

By Bill Peterson

Washington Post Service

nation's Democratic governors

meeting here this week, little sup-

port was evident for Gary Hart, the

former Colorado senator widely re-

garded as the front-runner for the

party's presidential nomination in 1988.

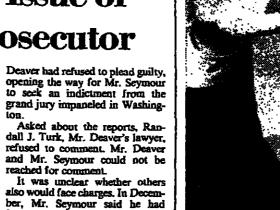
The governors, attending a meet-

ing of the National Governors As-

sociation, are actively looking be-

celerated by the withdrawal from

WASHINGTON — Among the



#### Chicago Democrats Renominate Mayor Washington

Mayor Harold Washington, Chicago's first black mayor, has become the first mayoral incumbent to win renomination in the city in the last decade. On Tuesday, he defeated former Mayor Jane M. Byrne by 6 percentage points for the Democratic nomination to run in the general election April 7. Mr. Washington did much better among white voters than Mrs. Byrne did among blacks. For decades, winning the party's nomination for mayor gave City Hall to the victor. However, in April Mr. Washington will face two other Democrats running independently of the party.

# Delay of Gates's Confirmation Sought

By Walter Pincus and Dan Morgan Washington Post Service

After resigning from his White House job in May 1985, Mr. Deaver formed a multimillion-dol-WASHINGTON - The chairman and vice chairman of the Senate select committee investigating the lran-contra affair have asked that confirmation of Robert M. er Mr. Deaver improperly used his Gates as director of central intellirelationship with Mr. Reagan and gence be delayed until completion his wife, Nancy, to promote clients of the congressional inquiries, of his lobbying firm, including the governments of Canada, South Kowhich could run at least through

The chairman, Daniel K. Inouye, According to a person with Gates, the deputy director of the as, is investigating the operations ported from Washington.

Central Intelligence Agency, is of the National Security Council in An agency spokesman, Seymour contacted Mr. Deaver's serving as acting director following the resignation of William J. Casey. guilty to two felony counts or fac-"It is not like a judicial appointing indictment on potentially more ment where there is a vacancy that has not been filled." he said.

of New Hampshire, the vice chair- the question of Mr. Gates's nomiman, agreed that the nomination nation. should be delayed. But he emphasized that so far he did not see anything that would disqualify Mr. Gates from being head of the agency. Mr. Gates, 43, has been with the

CIA for 20 years.

the Iran-contra affair. Mr. Gates also was discussed

Warren B. Rudman, Republican Democrat of West Virginia, raised

After the cancus, Mr. Byrd said that "the administration disserved itself by sending up the No. 2 man' who was "so close to the situation he is tainted by it."

Both senators said the Tower 
CIA Denies Times Report Commission report could shed The CIA labeled as false on more light on Mr. Gates's role Wednesday a New York Times rewhen it is released later in the week. port Monday that Mr. Gates The commission, named for its agreed to send a memo to the White chairman. John G. Tower, the for-Democrat of Hawaii, said that Mr. mer Republican senator from Tex- Iran, United Press International re-

An agency spokesman, George Lander, said the report "falsely" alleged that Mr. Gates circulated a critically on Tuesday during a memo in the White House support-Democratic caucus. The Senate ing arms dealings with Iran in order majority leader, Robert C. Byrd, to win favor with senior officials.

contest that at times was marked

on out? One of Gary's charms in

1984 was that he was an exuberant

seeker of the office and he had all

kinds of, at least attempts at, new

ideas. Let's see what happens now

that he is the front-runner. We

don't want to see him go from beef

Mr. Coomo's reference was to Mr. Hart's refrain in his 1984 cam-paign against Mr. Mondale: "Where's the bee!?"

Although political experts agree

that Mr. Hart has gone farther than

do Democrat still had some ques-

ALSTRIA, SALZBURG S-ERATON HOTE,
BEIGLM, BRISBES S-BERATON HOTE, BRISMAN, S-BERATON SOFIA HOTE, BRISMAN, S-BERATON SOFIA HOTE, BRISMAN, S-BERATON SOFIA HOTE, BRISMAN, S-BERATON SOFIA HOTE, BRISMAN, S-BERATON COPRINAGEN HOTE, BRISMAN, S-BERATON SCYLINE HOTE, LINDON, BEIGRAMA S-BERATON SCYLINE HOTE, LINEARSON ROMA HOTE, S-BERATON ROMA HOTE, LINEARSON, GORDOUGH S-BERATON HOTE, S-TOWERS PORTLIGAL, LISBOA S-BERATON HOTE, B. TOWERS MADERA S-BERATON HOTE, GRINCHAL)
PORTO S-BERATON HOTE, GRINCHAL)
PORTO S-BERATON HOTE, S-TOWERS
S-BERATON STOCKHOLIM HOTE, B. TOWERS
WEST GERMANY, ESSEN S-BERATON HOTE, CLIBCH)
TIDREY STANBUL S-BERATON HOTE, B. TOWERS
WEST GERMANY, ESSEN S-BERATON HOTE,
MINCHEN S-BERATON HOTE,
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Governor Cuomo continued:

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tions to answer.

# Routine AIDS Test Questioned in U.S.

By Lawrence K. Altman New York Times Service

ATLANTA - A consensus appeared to be emerging against widespread mandatory testing for infection with the AIDS virus as American public health officials met this week to discuss ways to curb the spread of the deadly viral

The Centers for Disease Control, the main federal agency charged with tracking the spread of epidemics, called the meeting Tuesday and Wednesday to explore expanded uses of blood tests for infection with the virus that causes acquired

immune deficiency syndrome.
Officials called for discussion of the possible value of requiring testing of, for example, all patients entering hospitals, all pregnant women and all applicants for marriage licenses.

Many people interpreted that suggestion as an indication that the federal government would actually propose such testing requirements. Opponents said such testing would be vulnerable to breaches of confidentiality. They also contended that it would be too broadly applied and might drive people most at risk from AIDS away from

the health care system. AIDS is caused by a virus that cripples the immune system, leaving patients vulnerable to infec-tions and cancers. More than four out of five cases registered so far in the United States have involved homosexual or bisexual men or intravenous drug users.

Scientists do not know what portion of infected people will develop the disease, but they presume that all carriers of the virus can spread it to others through sexual inter-course, exchanges of blood or from mothers to newborns.

Dr. James O. Mason, the agen-

cy's director, insisted Tuesday that whatever testing did take place should be accompanied by strong legal protection against disclosure of the identities of people infected with the AIDS virus.

Dr. James W. Curran, who heads the AIDS program at the Centers for Disease Control, said at the meeting that strategies against the disease would have to be tailored to local conditions because of the disparities in infection rates among men and women and according to geographical and age factors.

For example, he said that in the states with the highest rates of infection, 3.34 percent of all men were estimated to be infected. In the states with the lowest rates of infection, the rate was only seven one-hundredths of 1 percent.

In the presentations and panel discussions Tuesday, there was broad consensus against mandatory or even routine testing for patients entering hospitals, pregnant women and applicants for marriage

Dr. Stephen Joseph, New York City's health commissioner, said at a news conference here that he had not heard a single public health official at the conference advocate mandatory testing for hospital patients or premarital screening.

"What's he going to say from here "The drift or trend has been in another direction," he said, adding, "There needs to be a very large-scale increase in the availability and accessibility of counseling and testing" on a voluntary and confi-

> Dr. Joseph also stressed that expanded testing would require substantial investments in money and trained personnel and said federal officials should "put their money where their rhetoric is."

any other Democratic far in laying out specific proposits in domestic and foreign policy, Governor Chomo suggested that the Colorahave been reported in every state and more than half were fatal.

#### Bavaria Orders AIDS Checks

MUNICH - Bavaria announced anti-AIDS measures Wednesday that include compulsory testing for prostitutes, drug addicts, some foreigners and applicants for jobs in the public sector.

August Lang, interior minister in the Bavarian state government,

said that prostitutes and drug addicts would be asked to have a test for AIDS. If they refused, they would be picked up by police and forced to comply, he said. Under the measures, which took effect immediately, people from outside the European Community will be barred from settling in

acquired immune deficiency syndrome. All foreigners known to be infected with the virus will be refused a residence permit. Prisoners and people detained during investigations will be tested on entering and leaving custody, and prisons might be equipped with

Bavaria unless they can prove they are free of the virus that causes

AIDS stations, Mr. Lang said. ■ French Will Let Addicts Buy Syringes

Pharmacies in France will be allowed to sell syringes without prescription in a one-year experiment to fight AIDS among drug users. The Associated Press reported from Paris.

Health Minister Michèle Barzach, announcing the plan Tuesday, said the government would suspend a 1972 decree permitting syringe sales only with prescription or after an identity check. "It is not a matter of giving up the fight against drug addiction," she said. "But

we have to be realistic, 50 to 80 percent of drug addicts are infected."

Dr. Claude Olivenstein, director of a drug treatment center in Paris, said the decision to lift restrictions on syringe sales was "courageous

# 1988 Test Cited as Key To Deployment of SDI

By John H. Cushman Jr. New York Times Service WASHINGTON - A crucial

nissile-defense test, scheduled in treaty. 1988, could lead to early deployment of a space-based shield against ballistic missiles, according to Defense Secretary Caspar W. Weinberger.

Mr. Weinberger, in an interview Tuesday, said that the test, involving the destruction of a target in a collision with a prototype rocket, could best be carried out under a broadly permissive interpretation of the 1972 anti-ballistic missile treaty limiting such tests.

It was the first time that Mr. Weinberger had identified a specific test that could be accomplished under a new interpretation of the ABM treaty. Such a test, he said, could lead to deployment as early as 1993 or 1994.

His remarks on Tuesday came amid growing indications of strong opposition in the Senate to the reinterpretation of the ABM treaty.

The planned test would be the second in a series that began in September 1986. At that time, two separated stages of a Delta rocket were maneuvered into a collision in an experiment that was hailed as a breakthrough by the Defense Department but criticized as a treaty violation by opponents of the missile-detense plan.

Mr. Weinberger asserted that the ABM treaty, under the new interpretation, would allow development and testing of a wide variety of defensive systems, including those based in space. In his view, any technology that was not actually incorporated in anti-missile rockets, launchers or sensors of the sort that existed when the treaty was signed in 1972 is exempted

from the prohibition on testing. This is the broadest view yet put forth of the treaty reinterpretation, which has become the focus of arms control negotiations. It is an interpretation that some other arms control experts in the Reagan

administration privately reject. The Pentagon has been asked to complished only under the broad

remain uncertain pending a decision on the interpretation of the

He said the coming experiment in space could be carried out under the existing, strict interpretation of the treaty only if key elements of the test were omitted so that the prototype weapon being tested did not actually hit its target.

On Friday, Lieutenant General James A. Abrahamson, the director of the Strategic Desense Initiative Organization, said in an interview that he had decided to omit the actual interception from the test, officially known as Delta 181.

Mr. Weinberger has been a leading proponent within the administration of moving speedily toward deploying a first phase of the space-based defense. Other administration officials, including State Department officials, have argued that the issue needs further study and that allies and the Congress need to be consulted before any new interpretation is adopted.

However, Mr. Weinberger said Tuesday that his views were also held by Mr. Reagan. "A lot of people think we have

not decided to do this," he said. The president wants to deploy." He said the earliest date for ini-

tial deployments of a partial dewhich would be based on a series of interceptors based on land and in space, would be in 1993 or 1994. He noted that no matter how the ABM treaty was interpreted, it would have to be abandoned in order to deploy space-based de-

As Mr. Weinberger spoke, two key senators asserted that they had won a promise from the administration to consult closely with the Congress before changing the legal interpretation of the ABM treaty. Sam Nunn, Democrat of Geor-

gia, the chairman of the Armed Services Committee and Robert C. Byrd, Democrat of Virginia, the Senate majority leader, said that the administration had agreed to long consultation with the Senate before making a final decision on give President Ronald Reagan a list the interpretation of the treaty. Iniof experiments that could be ac-complished only under the broad administration officials carry out interpretation of the treaty. Mr. consultations and report to him by Weinberger's remarks indicated March 2.

# Mario M. Cuono of New York. Several Hart political operatives, including the former chairman of Cowper of Alaska. The former Col-

# Le Meeting

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the Democratic National Commitorado senator fared well in the O'Neill Jr., a Democrat of Massa- dale's New York primary camtee, Charles T. Manatt, met with West during 1984 primaries and chusetts, and Hamilton Jordan, a paign against Mr. Hart in 1984, a governors here but conceded that still has a strong organization in Mr. Hart does not have much Washington state.

Democratic Governors Size Up Hart but Few Express Support

strength among governors and other "institutional Democrats." But neither of the first-term governors is a big fan of Mr. Hart. "A lot of these guys don't know Gary," Mr. Manatt said. "Hart needs to meet with them." kakis and that he could "do very well" in their state.

Governor Cuomo praised Mr. Governor Cowper likes a South-Hart on Tuesday as an "extremely strong candidate," but he said Governor Michael S. Dukakis of erner, Senator Sam Nunn, Democrat of Georgia, who has all but taken himself out of the race. "Peo-ple think he is solid and sensible," yond the current candidates for a Massachusetts was "a uniquely 1988 standard-bearer, a process ac- strong candidate." A Hart candidacy would seem to

Governor Cowper said.
"There's a natural desire to go with a winner," said Gerald L. Baliles, governor of Virginia. "Right the race last week of Governor have a natural appeal for such now, governors don't see one. No bandwagon psychology is at work

> Governor Gardner said, "I really believe people are looking for an alternative to Hart. It's tough being a front-runner in this kind of race." Both Governor Dukakis and Governor Bill Chinton of Arkansas. the association's chairman, are beneficiaries of such sentiments.

yet. No one wants to close their

Each is considering entering the During the four-day convention, Mr. Dukakis held private meetings with governors and party leaders, including the 1984 presidential nominee, Walter F. Mondale, the

political strategist under former president Jimmy Carter.

Governor Terry E. Branstad, a Republican of Iowa, said Mr. Hart Governor Gardner said that he has "a commanding lead" in his and his wife "love" Governor Du-state.

"It's very much like the Mondale situation in 1984," Governor Branstad said. Mr. Mondale used his position as front-runner to dominate Iowa precinct caucuses. Mr Dukakis, Mr. Branstad said, did not create a favorable impression during a recent visit to lowa and that "the last guy from Massachusetts who came to Iowa," Senator Edward M. Kennedy, "pretty much fell flat on his face."

■ Cuomo's Kind Words In an interview with The New

York Times, Governor Cuomo had kind words for most of the presidential hopefuls, but he seemed somewhat reserved in his com ments about Mr. Hart. Pressed to say if he could enthu-

siastically support Mr. Hart if he won the Democratic nomination in 1988, Mr. Cuomo said, "I could support, I hope, any Democrat enthusiastically."

Regarding Mr. Hart, he said: "I don't see any reason why not at this nominee, Walter F. Mondale, the former House speaker, Thomas P. governor, who managed Mr. Mon-

# A Call for Nixon to Negotiate

WASHINGTON — Governor Peace, called for giving Mr. Nixon Mario M. Cuomo of New York, a key role in arms control. exercising his new freedom from presidential politics, has proposed making former President Richard M. Nixon the nation's chief negoti-

ator on arms control.

Mr. Cuomo, who last week an-Mr. Cuomo, who last week an-nounced that he would not seek the not afford to put himself in the Democratic presidential nomina-tion in 1988, said President Ronald Reagan should ask Mr. Nixon to take the lead in negotiating an arms treaty with the Soviet Union.

Asked why he would

Asked why he would propose this, Mr. Cuomo replied: "He would obviously have the respect of Republicans and probably would have the respect of the U.S.S.R., which is a pretty good reason. He couldn't hurt you. So why not? He might be able to make a deal that nobody else has been able to make

He said Democrats should not be concerned about Mr. Nixon's playing such a role because neither the former president nor anyone else could achieve an agreement on arms control unless it satisfied Senator Sam Nunn of Georgia, chairman of the Senate Armed Services Committee. Mr. Nunn, a Democrat, is perhaps the most influential member of Congress on national security issues.

Governor Cuomo said he had

been pleased to read an Op-Ed column in The New York Times on Tuesday in which Dimitri K.

Simes, a senior associate at the Car-

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negie Endowment for International The governor said Mr. Reagan's

performance last October at the icelandic summit meeting with Mikhail S. Gorbachev, the Soviet leader, was "embarrassing," and he





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# Reagan Can't Remember

Ten weeks ago, White House aides bridled at the joke about the Iran-contra crisis: What did President Ronald Reagan forget and when did he forget it? As things have turned out, it was no joke.

Did he approve the first shipment of arms to Iran in 1985? He cannot remember, he genuinely cannot remember, according to a senior official. Mr. Reagan himself con-curred in that proposition Tuesday, "It's possible to forget," he said, asking a group of visitors if any could remember what they were doing on Aug. 8, 1985. None could.

But it is not likely that any of his guests had been called on to do anything as bizarre, contrary or indelible as for Mr. Reagan to approve arms shipments to Iran. Iran! Why, just a month before, on July 8, as noted by James Schlesinger, the former defense secretary, Mr. Reagan had called Iran a prime example of "outlaw states run by the strangest collection of misfits, Looney Tunes and squalid criminals since the advent of the Third Reich." It may be possible to forget approving arms for misfits, Looney Tunes and squalid criminals, but the claim is no more reassuring than any of the accounts the president and his men have provided since the scandal began, yielding circles within circles as each account has broken down.

There is reason to believe that the original decision to deal with Iran, contrary to all antiterror pronouncements, was prompted

the enterprise was exposed, the primary re sponse evident among the president's men was to disguise it. As that effort failed, everything seemed to focus on rationing out statements or correctives, one every few days.

Meanwhile the White House turned from bully pulpit into whirlpool, churning around an apparent gap at the center. The president's State of the Union address could have been a nationally televised platform for the regret and renewal the country would have welcomed. It came out sounding like a regun. Meanwhile, old hands who might once have rallied round the president are themselves under investigation: Mi-chael Deaver, Lyn Nofziger. Meanwhile, other aides are bailing out: Pat Buchanan, Larry Speakes, Mitchell Daniels. And recruiting replacements becomes difficult.

Meanwhile, there is concern about Mr. Reagan's strength. Three months after his last news conference and seven weeks after his prostate surgery he remains largely shielded from reporters' questions.

Meanwhile, the White House is con-

sumed with bickering, scapegoating, finger-pointing. It was all Oliver North's doing, or John Poindexter's. Blame William Casey. Question Robert McFarlane. Fire Donald Regan. Fudge the facts. Each inflamed voice urges the same priority: Evade the blame. There is only one sure way to do that: Govern the country.

## **Brazil Versus the Banks**

ments brings the international game of chicken over Latin American debts to a new and dangerous phase. In this test of wills and nerves, each side has a great deal to lose if it overplays its position. If Brazil treats its obligations recklessly, it will be cut off from all further foreign credit, with dire economic consequences for President José Sarney's government from which no amount of nationalistic chest-thumping can rescue it.

As for the banks that are Brazil's creditors, their situation is better than when the crisis began. They have had time to accumulate reserves against these debts. But that seems to have made some of them arrogant and inflexible. In particular, Citicorp of New York, head of the lenders' committee, has carried its intransigence, and its insistence on the last nickel, to a point that has begun to draw sharp objections from the Reagan administration.

Brazil is not an isolated case. The banks agreed in principle to the Mexican refinancing nearly five months ago, but have yet to come up with the money. The same banks, with Citicorp apparently in the lead again, have been carrying on a long, corrosive quar-rel with the Philippines over its debts. If the another eighth of a point in interest.

The banks might usefully reflect that profiting mightily from these loans. they have a lot at stake in Washington these

Brazil's moratorium on its interest pay- days. If, to take the worst case, Congress should decide a couple of years from now that the banks were collectively responsible for a collapse of a struggling new democratic government in Brazil, those banks will have difficulty persuading anyone in Con-gress that they are fit to hold the broad new powers for which they are now lobbying. But Brazil has responsibilities as well. It

will not help to get sentimental over that country's distress, which is largely self-in-flicted. Brazil has used more than \$100 billion of the world's savings to build dams, factories, railroads and all the rest. Those investments were, in general, good ones and can repay the lenders. President Samey says defiantly that Brazil is entitled to grow. That is true, but is not the issue. Brazil grew last year at a phenomenal rate, perhaps 12 percent. Its spectacularly successful export drive has faded because Mr. Sarney has been trying to buy popularity with grossly inflationary wage increases. The goods being sold abroad two years ago now are being con-sumed at home. Brazil's inability to make its debt payments is the result of its internal economic troubles, not the cause of them.

The outlines of the necessary compromise are pretty clear. The banks are going to banks cannot bring these cases to reasonable bave to put up some new money, with no ends, they invite a solution imposed by the U.S. government. They will not like it, but the past Brazil, for its part, is going to have there is too much at risk to leave the out- to keep up its payments. It is not entitled to come, or lack of it, to bankers grappling for default. But it is entitled to generous treatment from the banks, which have been

- THE WASHINGTON POST.

# 'Punto Final' to Justice

commanders of Argentina's "dirty war" have now been granted amnesty. A historic process of legal accountability begun on the basis of clear principle has been transformed into an unsatisfying and potentially dangerous mess. President Raul Alfonsin, who deserves most of the credit for that noble beginning, also deserves most of the responsibility for this unseemly "punto fi-

nal." or full stop. In 1983, as the newly elected president, he bravely defied the military when he insisted on trials. The generals, humbled by defeat in the Falklands, still held key levers of power. Mr. Alfonsin understood that democracy required accounting for the 9,000 or more who were killed in the seven-year dirty war. Former junta members and police commanders were convicted and sentenced.

But eventually, despite strong public support for continued prosecution, Mr. Alfonsin changed tack, beeding the pleas of the military and the civilian right. Last December, citing a desire for national reconciliapushed a law through the Argentine Congress that set tight timetables for filing and resolving thousands of unprosecuted cases. To their credit, courts suspended scheduled recesses and have produced, thus far, a surprising 150 further summonses to trial. Beyond these and a few special cases to be resolved in coming weeks, no new charges or investigations will be considered.

Paradoxically, the pragmatic goals for which principle was sacrificed have not been achieved. Some 30 active-duty officers were included by the courts among the last cases. This was the right decision, but it could also ignite the military danger. And cynicism, not reconciliation, is the most likely response to

seeing so much evil go unpunished.

When Mr. Alfonsin insisted on trials for the uniformed criminals of the dirty war, he did much to strengthen the spirit of a country that had reached the brink of moral devastation. Sadly, his "punto final" dilutes this remarkable achievement.

- THE NEW YORK TIMES.

#### Other Comment

#### The Peres-Shamir Dispute

A row, perhaps a pseudo-row, has broken out again in Israel about the form that negotiations with the Arabs should take. It was aggravated Monday by a statement from the foreign ministers of the 12 European Community member states that supports the position of Shimon Peres against that of his prime minister, Yitzhak Shamir. Mr. Peres, now foreign minister under the rotation agreement, arrived Wednesday in Cairo for further talks about the process and already has agreed in principle that the forum should be an international conference with both superpowers present. Mr. Shamir strongly resists this approach and has publicly threatened that the dispute could bring down the coalition.

Apart from Mr. Shamir and his Liked colleagues only the United States is opposed

to a conference under UN supervision, and the U.S. objections might well be overcome by tact on the Soviet side and persuasion on the European. Mr. Shamir opposes anything other than direct talks with Jordan and others. But the difference between his position and that of Mr. Peres is not as great as it seems. Neither is willing to negotiate directly with the Palestinians, except those of their own choosing, which is why President Ronald Reagan's Middle East peace plan has gotten nowhere. Direct negotiation, however disgnised, would be needed even at a UN conference. The United States has sent envoys on the Middle East shuttle countless times to bring together a Jordanian-Palestinian delegation acceptable to Israel, But U.S. standing in the region is at an all-time low, Mr. Shamir has little reason, on this score, to

fear for the survival of his coalition. - The Guardian (London).

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Charman 1958-1982

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RENÉ BONDY, Deputy Publisher • ALAIN LECOUR and RICHARD H. MORGAN, Associate Publishers • FRANÇOIS DESMAISONS, Circulation Director • ROLF D. KRANEPUHL. Authorising Sales Director International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92200 Neuilly-sur-Seine. France. Tel.: (1) 46,37,93.00, Teles.: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698. Directeur de la publication: Walter N. Thaver

Directour de la publication: Waller N. I hayer

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Songapore 0511 Tel.472-708. Th: R\$56928

Managing Dir. Asia: Michael Richardson, 50 Goucester Road, Hong Kong, Tel. S-8610616. Telex: 61170

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#### Patronizing Ecuador

With reference to "It Is Time to Start Caring About Equador (Feb.

## **OPINION**

# West Should Hope Gorbachev Prevails, but Not Help

By Michel Tatu

P ARIS — Most Western governments and observers now are convinced that Mikhail Gorbachev is serious when he calls for the "restructuring" of Soviet seciety and a new way of thinking by Communist leaders. In the past two months, we have sen Kremlin watchers the world over rushing to review their appraisal of Soviet policy after a long period of skepti-cism. Let us hope that we will not jump from

one extreme to the other.

Since Mr. Gorbachev & genuinely trying to modernize the Soviet system through "openness" and a little more democracy, the question is being raised whether the West should help him in this effort. And if so, how is Hans-Dietrich Genscher, the West German foreign minister, right when he says we should try to "infinence the evolution in the U.S.S.R. and participate in its implementation" in order to accelerate it? The debate is open. Let me contribute some tentative, and contradictory, observations.

First, for anyone who believes in the Western values of democracy and phiralism, what is happening in the Soviet Union today is a more pleasant sight than anything that happened un-der Stalin or Brezhnev, and more exciting than the non-events of the period of "ossification" under Konstantin Chemenko. Thus, we cannot

resist a feeling of sympathy for Mr. Gorbachev. The second observation, however, points in the opposite direction. Since it is obvious that

PULL THE TROOPS OUT OF NEBRASKA?

This is the first of two articles. stroying the Communist system but merely wants to make it more effective, would it not be We conclude therefore, by a score of two to safer in the long run - in view of the expansionist nature of Marxist ideology — to live with an "ossified" and conservative Commu-nist bureaucracy of the Brezhnev-Chernenko

type than with a modernized and dynamic Soviet Union? In the economic realm, assuming that Mr. Gorbachev succeeds, would we prefer the competition of a new Soviet superpower to the perpetuation of a permanently underdevel-oped consumer of Western industrial goods and wheat? Let us not forget that even a westernized Russia, by her sheer superpower weight, would still be a problem for Europe. and in particular for her neighbors, just as the

United States is a problem for Latin America. The third observation qualifies the first and second. If a totalitarian system opens itself even partially and chooses economic reforms, it tends to moderate its foreign policy. Domestic change needs a peaceful environment and is hardly compatible with militarism or expansionism. China, for instance, improved her relations with most nations, including the Soviet Union, during the period of reforms of the past few years. This is also the view of Andrei Sakharov, who has been quoted as saying that "a more open and democratic Soviet

We conclude therefore, by a score of two to one, that what Mr. Gorbachev is doing is good, even though it is clear it is not enough. Can be be helped to move further in his chosen direction? Here some other remarks have to be made. First, there is little that can be done. The

Soviet system is designed to function indepen-dently of the forces that are not an integral part of it. Propaganda aside, neither the Soviet population at large nor any foreign power is permitted to influence it. This has been true especially in the economic field. Attempts by Western governments to change the political course of the Soviet Union through economic concessions have been just as fruitless as foreign economic sanctions. Secondly, foreign support or official sympa-thy for any Soviet leader will always be counter-productive. The old Lenin quote which says

that "if the enemy is praising you, it means you have made a mistake" still has currency in Moscow. Many of the good things Western officials already have said about Mr. Gorbachev are likely to have aided his conservative opponents in the party apparatus who have nicknamed him "the Soviet Dubcek," after the ill-fated leader of the Prague Spring in 1968.

Third, one may wonder whether the question of "helping" Mr. Gorbachev should be asked at

all. The chief objective of any government must be to look after its own natio al interests, not attempting to influence others on issues the have only an indirect have only an relations. If in arms control negotiations, the West were to make concessions to the Soviet Union merely out of a desire to strengthen Mr. Gorbachev and help him stay in power, it would jeopardize the progress we have seen so far. Mr. Gorbachev has changed his position in some of the disamament talks not because the West encouraged him to do so but because his previ-

ous positions were rejected. Under Brezhnev, for instance, the Kremlin tried to extract more favorable conditions on the SALT 1 and 2 arms accords by using a similar argument: that the West should be kind to the 'good' Brezhnev, or you will have to deal with the 'bad' generals." Ceding to this argument would be the worst possible use that could be made of kreminology, whose sin is not to find recipes for action but, more modest-ly, a better understanding of the facts.

So the answer to the question of belping Gorbachev is "No." But this does not prevent us from watching events in the Soviet Union with interest, and with a pinch of hope.

The writer, a leading commentator on international affairs, is an editorial writer for Le Monde, the French daily. He contributed this comment to



# Reagan Is Erring Badly in Backing Iran

WASHINGTON — The Reagan administration, though publicly proclaiming its arms delivery to Iran to have been an aberration of policy, tells us by its continued overtures to so-called moderates in Iran has offered its Gulf neighbors, that it

that its passion has not abated. Even in acknowledging that "misthere is not a responsible political lion for defense, emphasizing huge takes have been made," President leader in the Gulf who believes it. Ronald Reagan has chosen conspicuously not to disavow his courtship of Iranians. His administration, unapologetic about its surreptitious exercise of policy, seems to have adjusted to the prospect of an Iranian victory

over Iraq in the seven-year Gulf war. The administration justifies a shift away from its pro-Iraq stance by citing Moscow's designs upon Iran, the largest country in the Gulf region. Its aim is to coax Iran back to the Western camp after the death of its leader, the 86-year-old Ayatollah Ruhollah Khomeini. But what Mr. Reagan and those around him fail to appreciate is that revolutionary Iran is defiantly aligned neither with the West nor the East. It sees itself as a new and dynamic force, carrying the banner of Islam in world affairs. This perception is unlikely to change during the current regime, with

or without Mr. Khomeini. The White House seems to perceive Iran as just another Third World nation, but that would be a mistake. Unlike other Third World nations, Iran's primary goal is not economic development but ideological and terri-torial expansion. In that sense, it is a

classic imperial state. That is what its war against Iraq is all about. Should Iraq fall, there is nothing, as long as Washington remains an impo-tent bystander, to prevent Iran from extending its control over the entire region. The Gulf states by themselves

ive no way of stopping Iran's armies. Without unequivocal U.S. support, they are unlikely even to try. Make no mistake: Once Iran controlled the Gulf, it would become a major power - despite poverty and underdevelopment — promoting its dogma on an increasingly wider stage. It would have dominion over half the

globe's oil reserves, which would mean for Western consumers a tripling of the oil price, to \$50 a barrel. It would provide money, leadership and dynamism to fundamentalist movements throughout the Middle East. Directing local militias rather than its own army, Iran could turn the region into a satellite bloc, stamping

out U.S. influence altogether. The Reagan administration insists Iran has recently become "pragmat-

Filipíno Land Reform

Genuine land reform in the Philip-

pines is necessary and inevitable, but

the Aquino government must capital-

ize on its tremendous political support

and begin the program before Congress convenes in July. If it waits, it is

probable that landlords and big plan-

tation owners will water down the

proposals and the Communists will

land reform programs of Japan. South

Korea and Taiwan. Land reform and

its timing will determine the success or

failure of the newly reborn democracy.

RONALDO D. TESORO.

We must learn from the successful

continue to exploit the situation.

By Milton Viorst

has given up its designs on them. Yet

Mr. Reagan, however concerned he is about American hostages, has rialism. As a candidate, Mr. Reagan ridiculed Jimmy Carter for tolerating the seizure of the U.S. Embassy in Teheran in 1979, and he later boasted that he had enabled America to "stand tall" again. But by trading arms for captured Americans, he has played into Ayatollah Khomeini's hands, demonstrating the power of a the Reagan administration must cor-

mon strictures of morality.

Obsessed by Colonel Moammar
Gadhafi, who is at worst a pebble in America's shoe, Mr. Reagan has over-

SEOUL — The political confrontation in South Korea seems to be

heading toward another crisis, which

the United States should try to pre-

Twice within four months armies

of police have been deployed to pre-vent demonstrations, most recently on the weekend of Feb. 7 to halt

memorial gatherings for Park Jong Chul, a university student who died

during torture by the police.

The government has tried to get the unpleasantness over with before universities reopen in March. But

President Chun Doo Hwan and his

aides seem uncertain about how to

proceed, and most people are bracing

Sensing that continued backing for

an unsteady government could be po-litically risky, U.S. officials recently

have begun to express support for

democratic change. Gaston Sigur Jr.,

the assistant secretary of state for

East Asian and Pacific affairs, en-

dorsed democratic elections in a

speech earlier this month, and his

forthright mention of the issue of

governmental legitimacy encouraged Mr. Chun's opponents. Still, it is

hard to know what will happen next

say that we Ecuadorans reject the im-

We are an independent state able to ed patronizing by the United States.

rule our own affairs and capable of

defending our way of life without as-

shown in the past. So nobody knows

Mr. Rosenthal. But what matters to

government or any other, but our na-

tion's survival in a world poisoned by

JOSE S. SEVILLA.

the struggle for supremacy.

feuding and paralysis continue

LETTERS TO THE EDITOR

for further repression and unrest.

vent from becoming violent.

or Lebanon, while in the Gulf, which Iran would transform into a private ic" in its international relations. The lake, it deploys less power than is evidence cited is the assurance Iran needed to safeguard a ferry crossing.

Since Mr. Reagan took office. Washington has spent nearly \$2 trilrent to the Soviet Union. But in the Gulf, where the threat is equally real not grasped that hostage-taking is a and far more immediate, the United weapon used to spread Iranian impe- States has neither the forces nor the

will to deter an Iranian advance. In a little-noted statement made last month. Mr. Reagan condemned Iran's occupation of Iraci territory. But his protest fell short. With ample reason, Iran is convinced that the United States will do nothing to stop a defeat of Iraq. This is an impression regime unconstrained by the com- rect, or the United States and its allies, especially those in the Gulf, may be sorry for generations to come.

The writer, a Middle East specialist looked the real threat to U.S. interests recently returned from a tour of the in the region. The administration Persian Gulf region. He contributed keeps a huge battle fleet in the Eastern this comment to The New York Times.

By Edward W. Poitras

or what to expect of Washington.

pursuit of economic success, is the

parallel growth of a repressive police state. Most South Koreans consider

Mr. Chun to be a vicious man be-

cause of the blood spilled during his

rise to power, especially in the Kwangin massacre of May 1980. Even middle-class cinizens, who

usually keep their opinions to them-

selves, recently have begun openly expressing disgust at the intensifying re-

pression. The government's legitimacy

has never been established despite at-

tempts to prove respectability through

elections, which were questionable. The lack of public support is com-pounded by anger over endemic cor-ruption. Mr. Chun's opponents have

taken a more aggressive stance, public-

ly ridiculing him and his wife.

Meanwhile, Mr. Chun and his co-

horts are preoccupied with their fate

should they lose power. They have

done everything possible to loster di-

vision and weaken the opposition.

Distrust based on regionalism, char-

acter defamation, threats and bribery are exploited, but the yield of such

tactics seems to be declining. Many

are also beginning to see the bypocri-

sy of the regime's advocacy of reason-

through violence, its one-party con-

U.S. economic and military inter-

ests in South Korea make it difficult

for most Reagan administration and

ington all combine to make it diffi-

openly encourage free expression,

even the voting out of the present regime. That implies more than Mr. Chun's departure. It means an end of

military rule, which a large number

trol of the National Assembly.

17) by A.M. Rosenthal, I would like to able discussion even as it maintains,

sistance from any other power. Mr. Pentagon officials to face the possi-Rosenthal seems to be saying that the bility of a change in the military-Ecuadoran armed forces will step in, oriented government. The complex-

with or without the president, if the ity of the Japanese involvement in

feuding and paralysis continue.

South Korea, regional tensions inEcuador's armed forces are a reflecvolving North Korea and the Soviet

tion of our society, and as such are not Union and the recent atmosphere of

attached to any political creed, as visceral anti-Communism in Wash-

the color of the banner a would-be cult for the United States to modify

military government would fly. Even its support for the Chun government.

Mr. Rosenthal. But what matters to For the sake of long-range regional Ecuadorans is not the duration of this stability, however, Washington must

# **Belgians Are Dreaming EC Leaders Wake to Crisis**

By Giles Merritt

BRUSSELS — Bettino Craxi about are slim, for the civil servants stretched out his long legs toward the log fire and launched into a things abbor novelty. They also do battle for jobs now being waged in Italy's poor southern region of Mezzogiorno. In the armchair beside him, Margaret Thatcher stirred impatiently and, as he finished, responded to the EC heads of government together. sharply with her analysis of the future costs of industrial regeneration in the battered north of England.

All eyes in the chateau's richly paneled drawing room were on the two protagonists. Helmut Kohl's bulk filled one of the narrow window seats, almost blocking out the view behind him of the wooded Belgian Ardennes. Opposite Mr. Craxi sat François Mitterrand, his head sunk reflectively on his chest, and elsewhere around the room, in a variety

of relaxed poses, were seated the leaders of the eight other countries of the European Community.

A 13th man made up the company's number. Jacques Delors, president of the European Commission. the Common Market's executive body in Brussels, then jumped into a bill in the conversation to snap out a

tional or community-level policies? Do you want to streamline Europe or to featherbed it?"

As he finished, the room erupted into a babble of furious debate ...

The above is fictional, a device grease around the edges of a camera lens to denote a dream sequence. For it is the sort of frank exchange that some people in the Belgian govern-ment have been dreaming might take

place among Europe's leaders.
The Belgians, who currently hold the revolving six-month presidency of the EC council of ministers, have been muling over the idea of an informal EC summit meeting in late March. The chances of it coming

concise and brilliant account of the not much like the idea of what might

for a chat at short notice are considerable, especially as there would be neither agenda nor communique to mark the occasion. But the need for an early and objective look at the community's

latest crisis is compelling.

The EC is once again in a muddle, and this time it is serious. The Europeans have reached a watershed in the development of the Common

If the EC can't go bankrupt, running out of cash would be a nightmare.

Market, and it is one that calls for some fundamental choices by the leaders instead of the political patch-up that officialdom contrives.

string of irritable questions.

"What exactly is it you all want of the community?" he asked. "Do you time trouble because, in midyear, EC want to support your farmers or your spending will exceed the overall cell-factory workers? Do you want naing of 1.4 percent of the member states' receipts of value added tax, or VAT. In previous years the EC merely went over its annual budget limits, so all the squabbling really was about the amount of borrowing to be allowed against future years. Even if the community can never be truly used in the way Hollywood smears bankruot, like a failed business, running out of cash would be a legal and political nightmare.

Mr. Delors has announced that to cope with the demands of the Common Agricultural Policy and the various industrial, social and regional support programs, a new ceiling of 2 percent of VAT, equivalent to 1.4 percent of the EC countries gross national products, is needed. That hike, of almost a third in the EC budget, to nearly 60 billion Eurodol-lars a year, also would help defuse north-south tensions inside the Common Market by boosting the incomes of Mediterranean farm workers.

His demands have sparked a furor. "Trim the agricultural policy's extravagant farm subsidies," scream the British, French and West German governments. Those three are entitled to be worried, because they are the EC's only net budget contributors. But they also are its major recipients. Paris, Boun and London must therefore decide in conjunction with the others what sort of EC they want. Do they wish to switch money from the farms to the factories? Or do they want to spend money on both?

A farm policy expert, Brian Gardner of Agra-Europe, reckons that if the safety net of Common Agricul-tural Policy payments was swept away, about two-thirds of Europe's eight million farmers probably would be driven off the land. But that does not mean that farm support cannot be re-nationalized to some degree. The agricultural policy, in fact, accounts for only half of all farm subsi-dization in the EC, and it would not be hard to reduce it further.

Europe's governments then could fine-tune their own social policies in farm areas. Any resulting slack in the EC budget could be directed toward community-wide industrial policies. International Herald Tribune.

#### IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Lawless New York 1937: Battle for Oviedo NEW YORK - New York City is FRANCO-SPANISH FRONTIER streets this winter, the boldest of which was the robbery in broad dayrobbers beat the messengers into insensibility, and escaped in an automobile with a bag containing \$25,000 in currency. Almost at the same time robbers wrecked a bank at 267 Elizabeth Street, when they used an overcharge of dynamite to blow open the safe. The frequency of pistol bat-tles between bands of rowdies has alarmed political leaders, and in response to their appeals influential Tammany Hall men have been sent out to urge leaders of the bands to cease "gun fights." William Devery, former Chief of Police, says lawless-

much concerned over the numerous Latest government reports said the hold-ups and shooting affrays in the Asturian miners had succeeded in advancing as far as the Plaza America, inside Oviedo, and inflicting heavy light of two bank messengers in Trin-ity Place, near Wall Street. The two government's four-day attack was checked temporarily, the National-ists reported, when the fourth wave of Reds broke against the defenses within the besieged city. At the same time, the White commander in the garrison reported by radio that, "They won't break through. Oviedo will resist. We have now all the men and material we need to hold off the Reds." Wave after wave of government troops have been crashing against the White de-fenses since [Feb. 22]. Terrific losses were reported, estimates saying the attackers suffered 10,000 casualties, the defending troops and civilian ness in New York is imprecedented. population perhaps 6,000.

U.S. Is Running Out of Time in Seoul of younger officers would support.

Despite any reservations Washington may have about two key opposi-

tion leaders, Kim Dae Jung and Kim Young Sam, no other figures have the support or visibility to lead the Oppo-sition at this time, so the United What the world fails to sense, while praising South Korea for its energetic States must come to terms with them, If these mainline political leaders are losing ground, it is to a growing, violent radical fringe, which is an ominous sign accompanied by inten-sifying anti-Americanism. If change cannot come soon

through elections, then violent confrontation will continue to escalate. At present, there is no contest, since the government can mobilize the force needed to keep the lid on. If, however, the United States helps to redress the balance by supporting the legitimate demands of the opposition and the public, then a peaceful solu-tion could be possible. This could be Washington's last chance for a long time to contribute to South Korea's peaceful democratic progress.

The writer teaches at the Methodist Theological Seminary in Seoul He contributed this comment to The New

# Aquino Marks Revolt By Urging Army to Defend Democracy

By Keith B. Richburg Washington Post Service MANILA - President Corazon

C. Aquino, speaking Wednesday on the anniversary of last year's revolt, praised the military for its role in toppling President Ferdinand E. Marcos, but she urged the army to to turn its attention to protecting the country's democra-

cy.

"The military's refusal to turn against the people was a feat worthy of admiration." said Mrs. Aquino, whose campaign for the presidency last year galvanized a nation in opposition to Mr. Marcos's authoritarian rule.

"You disobeyed the dictator in obedience to the higher call of freedom," Mrs. Aquino said, "and for that, you will be rewarded."

On Feb. 22 last year, a small faction of the military announced it was withdrawing support from Mr. Marcos and recognizing Mrs. Aquino as the winner of the presidential election. At the urging of Cardinal Jaime Sin, the powerful archbishop of Manila, more than a million citizens surrounded the two military camps the rebels con-trolled and blocked government

tanks from entering. Four days later, under mounting military defections and pressure from U.S. officials, Mr. Marcos iled to Hawaii in exile. He left behind a powerful military estabhishment demoralized after years of acting as his personal security

#### Flood and Avalanche Toll Is 88 in Soviet Georgia

MOSCOW - Floods, avakilled 88 people and caused wide- year after the revolution. spread destruction since the start of the year in Soviet Georgia, the republic's government leader, Otari part of a long day of street celebra- Mr. Begun said.

E. Cherkeziia, said. Selskaya Zhizn on Wednesday as days events included five helicopsaying 20,000 people had been ters flying overhead, a parachute evacuated from areas where heavy jump exhibition, and songs by the snowfalls, followed by warm spells, American folk trio, Peter, Paul, and caused avalanches and flooding. Mary.

force, but also highly politicized after the success of the anti-Marcos rebellion.

Since the revolt, some factions in the military have considered the army a a kingmaker of the civilian government that keeps Mrs. Aquino off balance under the con-

stant threat of a coup.
"Our people turned to defend
your lives," Mrs. Aquino said during a flag-raising ceremony at Camp Agrinaldo, site of the rebeltion. "It is now your part to defend their freedom

Vice President Salvador H. Laurel was more blunt in his speech largely directed at the military.

Mr. Laurel said one of the lessons of the revolution was that "the military must always unhold civilian rule and must never wrest power for themselves." The revolution he said, demonstrated "a reversa of roles," since "survival of the military depended on the people."

As a symbolic measure of the government's partial success in gaining control of the military, most of the key figures who led last year's revolt were absent from

The clique of young middle-level officers who supported Mr. Enrile and were the core of the revolt, were absent as well. They were once akin to cult heroes here, appearing on posters with machine guns blazing. But they have been largely discredited and neutralized after being implicated in several anti-Aquino coup conspiracies.

Mr. Enrile's rapid shift to the political sidelines and the neutralzation of the young officers that MOSCOW — Floods, ava- backed him are perhaps the most lanches and landslides due have visible political change here one

tions to mark the first anniversary He was quoted by the newspaper of Mr. Marcos's departure. The kept dimly lit at all hours, too much



POLICE BREAK UP SEOUL PROTEST — Opposition militants led by Kim Young-Sam, second from right in front, tried to enter the Seoul headquarters of his Council for the Promotion of Democracy, where they were to hold a rally on Wednesday. Hundreds of police blocked the entrance to the building and detained several people.

# One was Juan Ponce Enrile, Mr. Marcoe's defense minister whose defection triggered the rebellion. BEGUN: Activist Tells of 'Terrible' Solitude in Soviet Jail

(Continued from Page 1)

he was sentenced to seven years in labor camp and five years of interaal exile.

He served the first year in a labor camp outside of the city of Perm, near the Ural Mountains, and then was moved in April 1985 to Chistopol, about 85 miles (about 140 kilometers) from Kazan, a city on the Volga River. In addition to political prisoners. Chistopol is reported to house about 1,000 criminals.

Life in prison is much worse than life in the camps, where at least The speeches Wednesday by prisoners have contact with each other and can see the whole sky,

In Chistopol, an average cell was for sleep and not enough to read, he said. Food was passed through a window in the steel door, called in Russian the "bird feeder." In theory, prisoners in camps and prisons

are allowed 1.4 ounces (42 grams) was usually for 15 days, he said, but of meat a day. In reality, the meat it could be prolonged arbitrarily. ration often was a spoonful of gravy. poured over porridge.

Mr. Begun spent 22 months in Chistopol Of that time, he said, he spent about 200 days in an isola- tables. The norm for prisoners was tion cell, punished for minor ininterpreted by the authorities.

than the regular cells. Food rations there were one pound (about half a kilogram) of black bread and salt and hot water twice a day. The bed was a wooden plank that in the daytime folded up against the wall.

Some of the isolation cells were "relatively warm." but others were so cold at night that to sleep, Mr. Begun said, he would run around the cell to keep warm, fall asleep and in an hour wake up from the

ers did not work the full norm out The cell was smaller and danker of principle, he said, but they did work about an hour a day. Any violation of the rules had its

nets for shipping and storing vege-

terrible was solitary confinement." the punishment was "very terrible." He said the treatment of criminals was the reverse: "The guards were very rude, but the punishment

spy was put in his cell, a harren room about eight feet by five feet LISBON — Lisbon's port work-(about 24 meters by 1.5 meters). ers on Wednesday ended a 10-day

# **Peace Talks** Resume on

Afghanistan The Associated Press

GENEVA -- Peace talks on Afghanistan resumed Wednesday with both Pakistan and Afghanistan promising a United Nations mediator that they would consider a timetable for withdrawing Soviet troops from Afghanistan.

Diego Cordovez, the UN undersecretary-general, said he told leaders of both delegations that they had an opportunity they "should not miss.

The Soviet Union sent troops defend the Afghan government from Moslem insurgents. Western estimates put the current Soviet troop presence in Afghanistan at 75.000 to 140,000 men.

Mr. Cordovez said the timetable for the Soviet troop withdrawal was ABM: the only question remaining after almost five years of negotiations, which are called "proximity talks" because the delegations meet separately, with Mr. Cordovez shuttling between them.

"If that blank is filled, we will have a settlement," he said, noting that the withdrawal issue remain difficult because both sides deeply distrust each other.

But Mr. Cordovez said that both sides had promised him they would examine the timetable question with an open mind.

At earlier stages of the talks, Afghanistan proposed that the Soviet withdrawal be completed in four Political prisoners were given years, while Pakistan proposed work to do in their cells. In Mr. Begun's case, the job was to make four months.

Pakistan's negotiating team is led by Foreign Minister Sahabzada eight hours of work, Mr. Begun Yaqub Khan, who arrived to Genefractions of prison rules arbitrarily said. He and other political prison- va on Tuesday from Moscow. The visit to the Soviet capital was his second this month.

The trip was part of a flurry of diplomatic activity by Pakistan, price, such as being deprived of the Afghanistan, Iran, the Soviet right to boy extra food from the Union and the United States since prison store or being deprived of the Kabul government proclaimed the twice-yearly visit by relatives. a program of "national reconcilia-But, Mr. Begun said, "the most tion" in January. The government offered amnesty to the guerrillas, a According to Mr. Begun, the proposal to form a coalition gov-guards at Chistopol were "very po-erument and a cease-fire to take lite" with political prisoners, but effect Jan. 15.

The rebels rejected the program, and the war has continued.

#### Once, he recalled, a convicted Lishon Dockers End Action

'It was a means of additional pres- work slowdown that had delayed Mr. Begun said. He showed a scar vessels to go to other ports, port own independent nuclear deterrent

# GORBACHEV: Changes Urged

(Continued from Page 1)

reaction are trying at any price to num. put a brake on our movement ahead and force us to remain on the rails of military confrontation." he said, blaming the United States for a deadlock in arms control talks. Mr. Gorbachev emphasized sev-

eral points by departing from a prepared text released by the official Soviet press agency Tass. Indicating the intensity of the debate on his proposals for new.

more democratic inner-party procedures, he said that a meeting of the Communist Party Central Committee last month had been postponed twice before it finally

"If we had limited ourselves at the plenum merely to stating that we have shortcomings and difficulties, if we had not proposed con-crete directions for reorganization," he said, "then little use

# Talks With Allies

(Continued from Page 1) dom of Washington's new course, the Kohl statement said that "an atial criterion" for Bonn was whether the U.S. "decisions" were "harmful or beneficial" to the Geneva arms negotiations. It was extremely unusual for Mr. Kohl, usu-

ally a loyal supporter of Mr. Reagan, to voice such reservations. In London, a spokesman for Mrs. Thatcher said the prime minister had stressed the need for predictability in arms control so that

neither superpower was surprised by decisions taken by the other. While insisting that the interpre-tation of the 1972 treaty was a matter for Moscow and Washing-

ton to decide, the spokesman said that Britain favored a way of testing of anti-missile systems "that doesn't affect the predictability A Western diplomat said that

Mrs. Thatcher had been informed that Secretary of State George P. Shultz agreed with Mr. Nitze and Mr. Perle on the broad interpretation of the treaty. A considerable part of the discussion was said to have been taken up with the Ameri-cans' describing the kind of space tests that were contemplated under the broad interpretation.

Mr. Nitze and Mr. Perle are to visit Paris, Brussels, the Hague and

France has traditionally regarded the ABM treaty as the most important arms agreement between

Moscow and Washington. The French fear that, if the two superpowers eventually move to sure," he said. The man beat him, cargo handling and forced some deploy anti-missile systems, their

could be rendered meaningless.

would have come from this ple-

Mr. Gorbaches's proposals contered on introducing secret ballots and multiple candidacies for senior

party and state offices. He said many people had wondered before the January plenum is party stalwarts would block the campaign for change

"Now there is more confidence." Mr. Gorbacher said.

"Democracy is not the exposure of order," he said. "It is or in of a higher level, based not on unquestioning obedience and blind performance but on the participation of people in society's affairs with

full rights and initiative." Mr. Gorbachev was greeted with applause from the trade unionists when he said the Soviet leadership was determined not to abandon its course, which he described as fully consistent with socialism.

#### Reward Posted For Hotel Parrot Seized in Beirut

NICOSIA - A British journalist offered a reward on Wednesday if gunmen who looted the Commodore Hotel in West Beirut returned its best known resident. Coco. the parrot that alarmed the unwars with imitations of incoming sheils.

"That parrot survived 10 years of warfare and I want it back." Chris Drake said in a written statement.

Mr. Drake offered 10,000 Lebanese pounds (about \$100) to whoever returned the grey African parrot, which could also whistle the opening bars of Beethoven's "Fifth Symphony" and of "La Marseillaise."

The Commodore, a West Beirut landmark and haven for a generation of foreign journalists covering fighting in Leba-non, closed Tuesday for good. It was looted and badly damaged last week in lighting between Moslem militias

2 Albanians Swim to Greece The Associated Press

CORFU, Greece - Two young Albanian men swam more than 10 hours in chilly waters to this northwestern Greek island seeking political asylum, the police said Wednesday. The Albanians, aged 18 and 22, used inner tubes to swim at least eight miles (13 kilometers) Tuesday across a narrow strait di viding Greece and Albania.

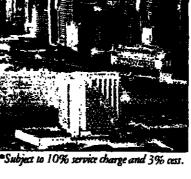
#### The world's best hotel in the countryside over the past lleto has moved quickly to correct year. They also contended that 343 The cease-fire ended Feb. 8 and many of the shortcomings that U.S. now has a sister in Singapore. each side appears to be gearing up policy makers and others had criti-People's Army in the field. rebels and 766 of their political workers defected in 1986. for a new round of fighting. cized under Mr. Marcos. It has been a year in which both But the guerrillas also have de-The Marcos administration pro-



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#### Aquino's Flexibility Slows Rebel Momentum operations in the Philippines, to have second thoughts about the He described the government's

By Jim Hoagland Washington Past Service
MANILA — The Reagan ad-Communist-led insurgency better

to be paying off. Mrs. Aquino has not quelled the revolt, which was an urgent foreign policy problem for Washington a year ago. There are still about 23,500 rebel fighters of the New

But the president has succeeding in throwing the rebels off balance, establishing herself in public opinion as a moderate interested in social justice. This has significantly slowed the momentum the rebels had been accruing against the Mar-

cos government over 18 years. Mr. Marcos fled into exile a year ago Wednesday, after U.S. policy makers exerted pressure on him to yield power. They acted out of concern over Mr. Marcos's inellectiveness in opposing the rebels, U.S.

officials said at the time. Today, Washington appears reassured by recent changes in leadrship in the army and in field

**NEWS ANALYSIS** percent decline in violent incidents

the rebels and the army have had to adjust to Mrs. Aquino's middle-ofthe-road policies, which emphasize exploring the chances for a peaceful settlement with the rebels while improving the Philippine military's

"We have to rethink things," ac-knowledged Carolina Malay-Ocampo, a top representative of the National Democratic Front, the political arm of the New People's Army. "We have to have new ideas to deal with a new situation."

She added: "Mrs. Aquino seems

While the insurgency is still a military option, whereas Marcos strategy as "a balanced approach" source of concern, it appears to would just have gone straight between political reform and miliministration's year-old gamble that have just much of the urgency that ahead. She says she wants a peace cary pressure ministration's year-old gamble that Corazon C. Aquino could rally the Dhillinging against a growing U.S. officials in February 1986. would never take such statements can't win them all over," he said. Senior Philippine military offi- seriously from Marcos."

with the government while a 60-day cease-fire proposed by Mrs.

> cided to encourage surrogate organizations to participate in the political hattle for favorable public

Auuino's more flexible policies. said Ms. Malay-Ocampo. We haven't given up on the opcapability to defeat them in the tion of negotiating a peace settle-ment," she said. "But we cannot give up the option of the armed

struggle either. If we did, they would just kill us." "They are applying parliamentary struggle and armed struggle si-multaneously. Defense Minister

"If you use the hard approach, you ber of the rebel delegation that en-gaged in unsuccessful negotiations them under pressure, and be ready

Since taking over the Defense Department in November, Mr.

moted military officers for their personal loyalty, and gave them money and favors, while failing to supply troops fighting the rebels. opinion as a response to Mrs. At least 40 generals have been

retired in the past year, officers report, and battalions that had been near Manila to protect Mr. Marcos have been moved out. "We found there was too much money spent on public relations, on intelligence that was not related combat capability," said Mr.

fleto. "We are spending money on

ammunition and on gasoline for

helicopters to go after" the rebels.

# INQUIRY: Tower Panel Believes Reagan Knew About Iran Arms Sales

Rafael M. Hetc said of the rebels.

(Continued from Page 1) hand." Mr. Reagan noted that no one in the audience did so.

At the White House, presidential advisers have been holding a flurry of meetings over the last two days to devise a strategy for dealing with what is expected to be a highly critical report. Officials said some advisers are

telling Mr. Reagan that he has to take a more critical view of the operation and assume greater per-sonal responsibility for its failure. But other advisers generally agree that, to make a fresh start, the president must remove Donald T. Regan as his chief of staff and

command respect on Capitol Hill and in the political world. Among those mentioned as leading candidates to succeed Mr. Regan are Paul Laxalt, the former Republican senator from Nevada. and Drew Lewis, chairman of Union Pacific Railroad.

the declining power of the Politbu-

ro, which in theory is the most

"They held an enlarged meeting of the Polithuro to get rid of Hu." the analyst said. "The majority at

the meeting was non-Politburo

members. Why did they do this? The answer is the Politburo is not

strong, the power was elsewhere."

cited these developments, among

others, to support their view that

• The call last summer for politi-

with Mr. Deng and Mr. Hu, was

discussed in September at a prepa-

Mr. Deng was under attack:

China watchers in Hong Kong

powerful body in China.

high-level strategy session on Monday summed up the advice given the president this way: "Move on. Move on. We're being consumed by this bloody thing."

Officials familiar with the Tower Commission report said it would stress that when the Iranian initiative was proposed in August 1985, White House officials discussed designing the program so that Mr. Reagan could deny that he had approved it if it ever became pub-The Senate intelligence commit-

tee, in its report on the affair last month, said it had received indications of this. But the Tower Comappoint a replacement who can mission has received notes taken at one of the first meetings on the program, in August 1985, and they show that participants used the word "deniability," one source

Documents presented to the

the administration.

The officials said the role of Colonel North and the advice the president received from Admiral Poindexter will form key parts of the commission's report as an example of how Mr. Reagan was ill-served by some senior aides. The White House has said from the outset of the controversy that the president was victimized by his aides.

of some policies. briefings, there were indications that Mr. Reagan offered limited

commission also show that Colonel had records showing that Vice

An official who took part in a gh-level strategy session on Mon-ay summed up the advice given Mon-discussed them with others outside ing briefings when the Iran initia-

Because of the lack of records the officials said it was difficult to

But the report is also expected to show that Mr. Reagan was at times too detached from foreign policy tary of Defense Caspar W. Weindeliberations and the carrying out Although the committee had no precise records of the frequent

contributions and did not always close attention, the officials They said that the commission

tive was discussed.

determine exactly what Mr. Reagan had been told or whether anyone present had objected to various aspects of the policy. Some administration officials say the Iran-contra case will con-

tinue to cloud events in the capital for months. "I don't know specifically of any single action he can take." Socre-

berger said of the president in an interview. "I think it will just go on and on until it plays out." Mr. Weinberger said, adding that the presso "doesn't control the process

PALACE HOTEL GSTAAD

# DENG: Experts Say He May Have Lost Grip on Power

1962 at a conference to criticize the one analyst said. "That means an policies of the Great Leap Forward attack on the peasants in the counin 1958 and 1959. Mr. Deng at tryside who are growing filled tacked the misguided economic things so they make more more. policies of Mao Zedong and called for collective leadership in the party. "They are using his words against him," a Chinese analyst said. "By choosing this speech to Chanese military declared in t the

Mao's policies. cal change, which was identified • The official Chinese press has and artists also have been admonsounded a clarion call for China to shed to watch the political soundor meeting before a plenary produce more grain. Analysts in ness of their work.

session of the Central Committee. Hong Kong saw this as an implicit but no action was taken. Hong Kong saw this as an implicit attack on Mr. Deng's rural policies China's newspapers carried a because it would mean a strength-previously unpublished speech last ening of central planning in state. week that Mr. Deng delivered in agriculture. "Grain, grain, grain,

• Despite the assurance bean Mr. Zhao that the carriagn against "bourgeois liberal, at an would be confined to the party, the publish, they are attacking his eco- campaign would permeate the

nomic policies the way he attacked armed forces, the analysis said Publishers, theaters, film studios

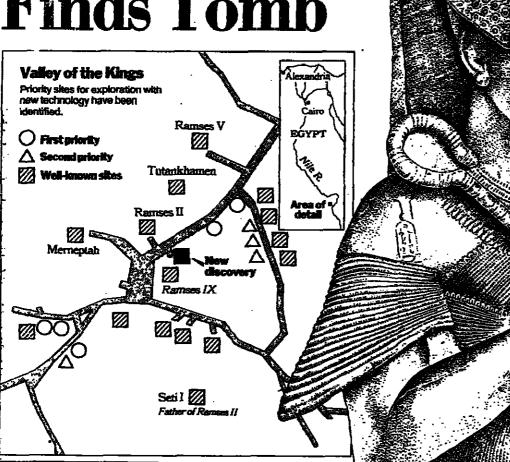
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SCIENCE





By John Noble Wilford New York Times Service
RCHAEOLOGISTS, heeding the message of the magnetometer, dug into the rocky slope of Egypt's Valley of the Kings and uncovered steps carved out of the stone portal and through that into a dark passage and to the discovery of a 3,300-year-old tomb that could yield fascinating treasures and new insights into the long reign of Ram-

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THE BEST TOBACCO MONEY CAN BUY

The last major find in the area was the discovery in 1922 of the untouched tomb of the young Tuiankhamen, better known as King

ses Īl.

Finding the tomb was a reassuring demonstration of the capabilities of modern remote-sensing technology, such as sonar, radar French and Japanese scientists have reported encouraging results using similar techniques in search of hidden chambers in the Pyramids and the Sphinx at Giza.

site indicates that the underground chambers were probably the burial place of several of Ramses's many sons. Although the huge central room is badly damaged and filled almost to the ceiling with rubble, its size and design — 100 feet on all sides and supported by 16 large pillars — suggests to archaeologists the grandeur of the 66-year reign of Ramses II, who ruled from 1290 to 1224 B.C. This room is one of the largest in any of the known burial

alluvial plain west of the Nile. The tomb was found by a survey water damage. The survey is also party led by Kent R. Weeks, an being used in making decisions on associate professor of Egyptian ar- where to built new tourist operaand magnetometry, to expand the chaeology at the University of Calitions that would not intrude on formia at Berkeley. Dr. Weeks is hidden roins. engaged in a project, now in its 
This was why the Berkeley Theeighth year, to survey ancient ban Mapping Project, the formal Thebes, on the Nile 500 miles south name for the Weeks group, was of Cairo, and prepare a map and concentrating its search and survey

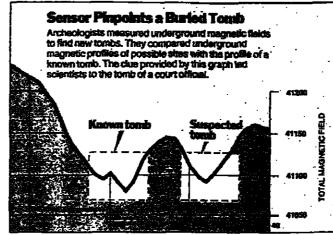
Kolnmans

KING SIZE

ments, tombs and other structures. On the east side of the river stand the ruins of Karnak and Luxor. Across the river is the necropolis that includes the Valley of the Kings, the burial ground for Egyptian monarchs and nobles who lived between 1600 B.C. and 1000

Mapping the ruins in detail and seism searching for hidden chambers. Dr. pret. Weeks said, will give the Egyptian government information it needs to protect the priceless antiquities places set in the cliffs above the against vandalism and identify those structures most in danger of

inventory of the temples, monu- on the area near the entrance to the



Valley of the Kings. There, at the an official from the court of Amenedge of a parking lot where the hotep IL postcard hawkers and guides ac-

ses II. Over the years it had disap-peared, presumably buried in the door five feet high and five feet rubble discarded by archaeologists wide. working nearby.

The archaeologists accepted an offer by a petroleum financier who wanted to look for hidden tombs using oil-exploration technology. Bruce Heafitz, a financier who is its ceiling." based in Manhattan, got the idea on a visit to King Tut's tomb when a guide remarked, "If you think this is something, wait until we find something of the really significant pharachs."

So, encouraged by Dr. Weeks, he hired the Weston Geophysical Corp. of Westboro, Massachusetts, to conduct the field work last year.

One early attempt, using a seismic vertical profiling survey, was ineffective. This involved setting off explosive charges that sent seismic waves reverberating through the ground. Analysis of signals reflected from subsurface rock layers produced a cross-section of the rock, including evidence of cavities. But the tombs were close to the surface, Heafitz said, where the seismic signals are difficult to inter-

enetrating microwave radio signals, a form of radar, which are usually sensitive to shallow underground cavities. The radio waves bounce off changes in the density of materials, such as an air pocket set among bedrock. But the results were ambiguous, Heafitz said.

Another method, electrical resistivity tests, was a failure because the ground was too dry. This techtrique relies on measurements of the ground's conduction of an electrical current, with resistance indisurface structure.

face generates a small electric sig-nal that measures the intensity of explorers. the magnetic field below the surfor a tomb, the magnetometer records a distinct dip.

In tests above a known tomb earlier last year, Heafitz said, the under the Sphinz.
graph of magnetometer data "We're conservative in archaeolgraph of magnetometer data suspected tomb was detected in Logan, a curator of the Oriental this way and unearthed in two Institute at the University of Chihours of digging. It was the tomb of cago.

The magnetometer data took ancost each new flock of tourists, the other tantalizing dip over a site by surveyors detected the remote the parking lot and only 50 feet sensing clues that led them to the tomb of Ramses II.

Dr. Weeks and his team began digExplorers in 1820 had reported finding a tomb there that had in
working 10 days and excavating 50 scriptions suggesting that it once truckloads of dirt, completed the

> When they opened the door, Dr. Weeks recalled, "We were hit by a rush of hot, moist air and had difficulty crawling into the narrow space between the tomb's fill and

> the discovery, Edward F. Wente, professor of Egyptology at the University of Chicago, said: "Obviously, the tomb has suffered a great deal. Chances are, in such cases, only hard materials will be preserved. All we can say is, we'll cross our fingers that there's a significant

> discovery to be made." The Berkeley group plans to re-turn in the spring for a more de-tailed study of the tomb, including the chambers that join the main room. They will be looking for inscriptions that provide a reliable date for the tomb.

> "Our best guess, based on its location near the tomb of Ramses II and aspects of its design, is that it belonged to Ramses II and was probably for two or three of his sons," Dr. Weeks said. Ramses II built the magnificent temples of

Dr., Weeks cautioned against exsecting the unexplored chambers to contain anything like the splen-dor found in Tutankhamen's tomb. In King Tut's time, a century earlier, tomb entrances were less conspicuous in design and often put in out-of-the-way places so that they were less likely to have been badly vandalized. Even before Europeans arrived, most of the later tombs had been robbed of gold, mummies and even building stones.

Dr. Weeks said he would leave the detailed exploration of the tomb to other archaeologists. His It was the magnetometer obser-vations that pointed the way. The limestone bedrock in the Valley of of the entire Thebes area. Mr. Heathe Kings contains particles of fitz has formed a company, Archeiron. A magnetometer on the sur- ological Imaging, to undertake oth-

Zahi Hawass, chief inspector of face. Where there is a break in the the Giza Pyramids, said French bedrock, as at an entrance cut out and Japanese research teams, using seismic and magnetic remote sensing, recently detected several hollows in the Pyramid of Cheops and

showed a level line over bedrock ogy, but we are coming around to and a deep trough over the tomb. A modern technology," said Thomas suspected tomb was detected in Logan, a curator of the Oriental

#### IN BRIEF

#### Drug Found Useful in Treating Liver

BOSTON (UPI) - A drug commonly used for cancer treatment produced "dramatic" results when used to treat two patients suffering from one type of non-malignant liver disease, according to researchers. While the results indicate the drug methotrexate may offer the first effective treatment for at least one type of liver disease, the researchers stressed that more study is needed to confirm the findings.

"Liver disease is notoriously fickle," said Dr. Marshall Kaplan, who treated the patients at the New England Medical Center in Boston. In the February issue of the Annals of Internal Medicine, Kaplan and his colleagues reported the results of using methotrexate to treat two patients. with primary sclerosing cholangitis.

The disease is a progressive, untreatable form of liver disease that affects an estimated 5,000 people in the United States. Patients usually die of liver failure if they do not undergo a transplant.

#### Computer Aids Transplant Program

LEIDEN, Netherlands (AP) - Dr. Bert Groenewoud and his col-

leagues here use a computer that rapidly matches vital organs to people awaiting transplant operations in the Netherlands, Belgium, Luxembourg, West Germany and Austria.

Dr. Groenewoud and his team play a role in about 3,800 organ transplants a year, although they rarely see the inside of an operating room. Their Eurotransplant Foundation uses the computer to make quick. held munmies of the sons of Ramtask in January — 15 feet down to
ses II. Over the years it had disapthe entrance of the hidden tomb, a

matches for hearts, hungs, kidneys, livers, pancreases and corneas of
the entrance of the hidden tomb, a

In its computer records, Eurotransplant lists genetic information and the blood types of patients awaiting transplants, along with how long a patient has been waiting for the operation, and how urgently it is needed.

#### **Back Muscle Enlisted to Aid Heart**

PHILADELPHIA (Reuters) — A revolutionary heart pump fathioned from a patient's own muscle could someday aid thousands of people at a fraction of the cost of transplants, according to the doctor who has developed the device.

The device has been tested in laboratory animals, including a dog who lived almost three months with an auxiliary heart pump fashioned from his own back muscle. The dog died after clots damaged his kidney — a problem that has cropped up with other artificial heart techniques.

But Dr. Larry Stephenson of the University of Pennsylvania, who has collaborated on his research with Swedish and British scientists, said he

had several possible ways of solving the problem, including using an anticoagulant to prevent clotting.

The key to the procedure, he said, is conditioning muscle from the back

or some other part of the body to behave like heart muscle. The procedure, which Dr. Stephenson expects to be tested in humans within a low years, involves surgically moving back muscle to a patient's chest.

#### Tests Set on Male Contraception

SEATTLE (NYT) — Beginning this spring, up to 400 men in countries around the world will begin to test a synthetic form of the male hormone testosterone as a form of birth control. Researchers hope its use for

contraception will rival the condom in effectiveness and acceptance. In the first clinical testing of the method, the men will receive the injections once a week for a year. Unlike in previous tests, they would use the injections as their sole source of birth control.

Dr. C. Alvin Paulsen, a professor of medicine at the University of Washington here, has been testing the method in the laboratory and on animals since 1972. The new tests will be conducted in the United States. England, China and other nations selected by the World Health Organization, an agency of the United Nations.

#### INTERNATIONAL POSITIONS

#### INTERESTED IN WORKING FOR HUMAN RIGHTS? **HEAD OF INFORMATION SERVICES**

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The Mead of Information Sentines is responsible for the measure.

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#### WALL STREET WATCH

# **Kidder Unlikely to Cast** A Long Shadow Over GE

By VARTANIG G. VARTAN

EW YORK — Shares of General Electric Co. took a bumpy ride last week, first hitting a record high of \$103.75 and then finishing at \$101 for a net loss of \$2.50. The sudden downturn reflected investor concern that GE might face liabilities because of its 30 percent ownership of Kidder, Peabody & Co., an investment firm that has been linked to allegations of insider trading.

Most Wall Street analysts are optimistic about the prospects for GE's stock, which rose \$1.625, to \$102, on Tuesday, and they tend to doubt there will be further market repercussions because of the Kidder, Peabody affair. "Any worst-case scenario involving Kidder, Peabody is already reflected in the stock

Some analysts

price," said Nicholas P. Heymann of Drexel Burnham Lambert. He said that GE re-

believe GE is on the mains "a compelling buy."

E. Robert Quasman of Op-penheimer & Co. said, "While threshold of another major concerns about GE's Kidderrelated exposure could continacquisition. ue to cast a pall on the stock

near term, we continue to believe GE's stock is more attractive than the market and would regard any current weakness as an opportunity to add to positions.

Both analysts predicted higher profits for GE, which earned \$5.46 a share last year. For the first quarter of 1987, Mr. Heymann projects earnings at \$1.39 a share, up from \$1.18 in the comparable 1986 period. His full-year estimates call for \$6.50 a share in 1987 and \$7.75 in 1988, Mr. Quasman's projections are more conservative, at \$6.35 a share this year and \$7.40 next year.

"Long-term prospects are enhanced by General Electric's increasing emphasis on service businesses," Standard & Poor's stock reports say, "and its superior management and product leadership." GE's shares hit record highs early last week after the company proposed a two-for-one split and said it would consider raising the cash dividend to a yearly rate of \$2.64 a share, on a pre-split basis, from the current \$2.52.

"Fundamentally, we anticipate future announcements will remain positive." Mr. Quasman said, and "GE will increase its quarterly dividend again in November." At current market prices, the stock yields about 2.5 percent.

LTHOUGH the issue has advanced 40 percent since October, Mr. Heymann envisages a target price of \$129 to \$134 a share over the next six to 12 months. Looking further ahead, he says he believes a price of \$150 a share is attainable in the next 18 to 24 months.

"The latter target will become even more readily attainable," he added, "if our belief that GE is on the threshold of another major acquisition proves true." Such an acquisition, carrying an estimated value of \$5 billion to \$10 billion, could be announced before the middle of this year, Mr. Heymann suggested. Among the factors conducive to an acquisition, he said, are

GE's "very solid" finances, with cash and marketable securities alone totaling \$2.3 billion, and attractive borrowing rates. The giant company, whose operations range from consumer products and industrial systems to aircraft engines and technical products, completed its acquisition of RCA Corp. in June, the

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same month it acquired control of Kidder, Peabody. Mr. Heymann's theory is that any future me aimed at cohancing the value of GE's stock could be made in a new area. "GE's management has the talent for unlocking real asset values in other companies," he said, "After five years of aggressively revamping its own operations, GE has emerged as

one of the best restructurers in the world." One acquisition technique used by the company in the past is to play on a cycle. When GE acquired Employee Reinsurance Corp. in 1984, it was a timely play on the upturn in the propertycasualty business. "Also, in the RCA acquisition," Mr. Heymann said, "the company got NBC - an attempt to play the coming deregulation of the network industry."

**Currency Rates** 

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# **Britain Blocks** Sugar Bid

Rules Out Offers By Ferruzzi, Tate

LONDON — The government Wednesday blocked rival bids by Gruppo Ferruzzi of Italy and Tate & Lyle PLC of Britsin to take over British Sugar PLC, which has a

monopoly on the country's sugar beet refining.

A successful bid by Ferruzzi would have made the Italian company the world's biggest sugar pro-ducer. But the Department of Trade and Industry halted the takeover battle by saying that both bids "may be expected to operate against the public interest."

The department said in a statement that it was following recommendations of the Monopolies and Mergers Commission, a govern-mental regulatory body.

Ferruzzi, a food and farms group that already dominates the European sugar industry, would have cap-tured about 24 percent of the European Community sugar market if its bid had been approved.

Gruppo Ferruzzi announced in November that it had agreed to buy 70 percent of British Sugar, which has about 50 percent of the British sugar market. The bid, worth £425 million (\$655 million), was accepted by S&W Berisford PLC, the commodity trading and processing group that owns British Sugar.

Tate & Lyle had offered £480 million for all of Berisford in May, but it planned to sell off all of the company except British Sugar to management if its bid was success-

Los Angeles Times Service

tine government, bedeviled by re-

surgent inflation and a heavy for-

eign debt, unexpectedly declared

banks and foreign exchange mar-

kets closed Wednesday and Thurs-

day to quell financial speculation before announcing a new economic program Wednesday night.

By Peter Maass

unemployment rate would remain "unacceptable" at

The European Commission said that prospects had

grown gloomier in the past few months because of a

sharp fall in the value of the U.S. dollar and a slowing

the EC is expanding at a slower rate than in 1986,

when growth in the overall gross domestic product of

The commission's report followed a weekend meet

ing in Paris of finance ministers and central bankers

from the six largest industrialized nations. The group

set a vague plan for economic cooperation, including pledges to stabilize the dollar and boost growth in

Although the EC report was largely prepared before the weekend meeting, it echoed a widespread impa-tience with the sketchiness of the currency pact and

the 12 member nations was a sluggish 2.5 percent.

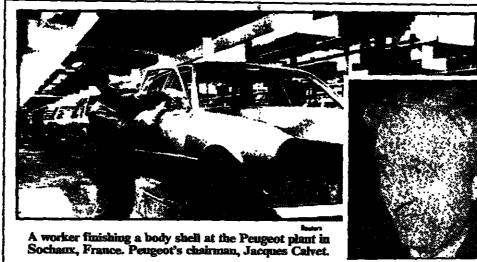
The quarterly forecast indicates that the economy of

in world trade, both of which will hurt EC exports.

ional Herald Tribune BRUSSELS - The European Community's execu-

BUENOS AIRES — The Argen-

The trade department ruled Wednesday that neither bid could with 1985 profit of 543 million proceed and that Ferruzzi should produce its existing stake of about 24 percent in Berisford to 15 percent over the next two years. Tate & Lyle has a stake of about 10 percent in the company.



# Peugeot Regains Its Reason to Roar

Restructuring, Automation Boost Profit, Market Share

By Jacques Neber ial to the Herald Tribune PARIS - The lion frozen on Peugeot SA's corporate logo has

After suffering through a long and painful restructuring, the private French manufacturer of Pengeot and Citroen cars has regained its position as a major force within Europe's highly competitive car industry. And emboldened by its success and newfound profitability, it is now set to take a serious stab at the American market

something to roar about these

Although 1986 results have not yet been released, Jacques Calvet, Pengeot's chairman, estimated last month that net earnings would rise enough to allow the company to pay a dividend for the first time since 1981. Analysts estimate that the company's 1986 earnings will be from 1.5 billion to 2 billion francs (\$248 million to \$330 million, at current exchange rates), compared

The 1986 profit would be the first major payback since Pengeot began restructuring and modernizing in the early 1980s. And Mr. Calvet predicted that the payback had only begun.

foreign banks.

Argentina Shuts Banks Ahead of Economic Plan

with U.S. banks, renewed talk that help the country meet its 1987 Argentina would follow neighboring Brazil in declaring a moratoring brazil in declaring a moratoring property smooth last year.

"not very encouraging" that the EC would even reach its new growth target of 2.3 percent. It said that growth would allow the unemployment

Once again, the commission urged West Germany

to play the part of economic "locomotive," a role that Bonn has rejected, by using fiscal and budgetary

measures to fuel its economy. "It's in the German

Federal Republic that the margin of maneuver ap-

pears to be the largest," the commission said.

The report suggested that West Germany advance tax cuts originally scheduled for Jan. 1, 1987, a step

that Bonn said on Tuesday it would take. It also urged

the country to increase spending in the public sector. Bonn so far has resisted any measures that would

ncrease its budget deficit and set off inflation. France and Britain, the report said, could help carry

the burden of stimulating growth by "improving their potential for production," even if it meant a slowing in

The commission's report said inflation would remain low in the EC this year, with consumer prices

rising by 3.2 percent after a 3.6 percent increase in

More broadly, the commission called for greater economic cooperation in the community, including

the reduction of their budget deficits.

um on its \$53 billion debt owed to percent growth last year.

such a move if international banks "Austral Plan."

EC Projects '87 Growth at Weak 2.3%

tive body scaled back its forecast for 1987 growth to a rate to remain at 12 percent "at best," a level it called weak 2.3 percent Wednesday and warned that the "unacceptable."

"Better products, productivity gains, cost-watching and the slowdown of inflation in France should permit profitability to rise strongly in the coming years," he said.

The restructuring followed a period of sudden and chaotic growth. In 1976 Peugeot ac-

Vital to its strategy was melding the two divisions, Citroën and Pengeot, on an industrial, but not product or marketing, level.

quired its competitor Citroën, and two years later it bought Chrysler Corp.'s European oper-ations, which it merged into the Automobiles Peugeot division.

The acquisitions, Peugeot now acknowledges, were poorly timed. Not only was it difficult merging different corporate cultures, but the company was hit

with a severe drop in demand precipitated by the 1979 oil cri-

bor problems, punctuated by vi-olent and image-damaging strikes in 1982 and 1984. From 1980 to 1984, Peugeot reported losses totaling more than 8 biliion francs.

Vital to Pengeot's recovery strategy was a plan to meld the two divisions, Automobiles Citroën and Automobiles Peugeot, on an industrial level, but to keep them independent on a product and marketing level. In that way, the two would not only be able to economize by developing and sharing major components, but they would gain a large measure of manufacturing flexibility.

Meanwhile, automation and payroll cutbacks have allowed Peugeot to improve productivity an average of about 6 percent a year since 1983. The company invested 20.6 billion francs in new plant and equipment from 1983 through 1986.

At the end of 1986, Peugeot employed 165,000 people, down 23,000 from 1984, when the company produced 100,000 fewer

> On the marketing side, Peu-See PEUGEOT, Page 13

Amid tension in financial mar-

kets Tuesday and a steady rise in

the free-market rate for the U.S.

dollar, some observers also antici-

pated that the new measures would

either include a sharp devaluation

of the anstral, the Argentine cur-

rency, or an accelerated series of

After a 1.99 percent devaluation

ence of about 30 percent.

■ Philippine Debt Talks

The Philippine government will proceed with talks next Tuesday in New York on rescheduling \$3.6 bil-

lion of debt owed to foreign banks

# **OPEC Worries Grow as Brent** Falls Below \$16

ional Revald Tribune LONDON —The price of North Sea Brent crude, Britain's bench-mark oil, fell below \$16 a barrel Wednesday for the first time since

mid-December, extending a retreat from the \$18 fixed price set by

OPEC late last year and renewing doubts about whether the cartel's pricing accord can be made to hold. Traders said cargos of Brent for April delivery changed hands at \$15.98 and \$15.97 a barrel, down about 50 cents from Tuesday and \$1.30 from Friday. In later trading. Brent was being quoted at \$15.20 to \$15.90 a barrel, with no trades at

those levels, and the decline was continuing in U.S. markets. The rapid erosion in prices came just days after Gulf oil ministers met to discuss how to prop up faltering prices.

Rumors were widespread over the weekend that the ministers might call for an emergency meeting of the Organization of Petroleum Exporting Countries next month to discuss the problem. Though the ministers denied Sunday that OPEC would have to be convened early, analysts said the sharp declines Wednesday added new pressure on the 13-nation car-

Many analysts predicted that prices would fall further as major oil consumers continue to deplete inventories rather than enter into long-term contracts at current

"Demand for petroleum prod-ucts in the United States is clearly lagging behind the pace set last year," said Philip K. Verleger Jr., visiting fellow at the Washingtonbased Institute for International Economics. "There is evidence that

#### Worldwide 800 Sues AT&T Over 'Toll-Free' Ads

The action late Tuesday, on the every of Wednesday's critical talks for \$2.15 billion in fresh funds to gentine President Raúl Alfonsin had agreed to new measures that would include wage adjustments to inflation of 7.6 percent in WASHINGTON - Worldwide 800 Service Inc., a Geneva-based mpany that arranges internaoffset inflation of 7.6 percent in tional toll-free telephone service in January, the immediate restoration 43 countries, filed legal action Wednesday charging American The last nationwide bank closure of stiff price controls, and a pledge Telephone & Telegraph Co. with Arabia, the largest OPEC produc-false advertising and anti-competi-Treasury Secretary Mario Bro- was in June 1985, when the government to allow debt obligations to dersohn has already warned of ment announced its anti-inflation undermine economic growth.

tive practices. Controls, which have now erod-Worldwide 800 alleged in suits ed, were a key element in Mr. Al-filed in federal and state courts in fonsin's Austral Plan, which re-Illinois and in complaints filed beduced inflation to 80 percent last forc the Federal Trade Commisyear from almost 1,000 percent in sion and the Federal Communications Commission that AT&T used those methods to shut Worldwide

800 out of the U.S. market. The actions charge AT&T with falsely stating that no other company could provide international tollfree service; falsely stating its service capability, and falsely describing the geographic origin of

that significant doubts have emerged in international oil markets about whether OPEC can maintain strict adherence to the output is around 16.3 million to 16.5 million barrels a day. Analysts said there are indications that Kuwait and the United

substantial stocks in heating of

were built up during the summe

tories amount to a 67-day supply

compared with 63 days at this time last year. The sentiment in the market is

Adrian Binks, editor of Petroleur in Argus, a widely read weekly based in London. "It wouldn't surprise the

me to see [free-market] prices touch 😅

OPEC ministers in December issagreed to limit oil production to be

15.8 million barrels a day and to fix en prices at \$18 a barrel. The accord,

which followed months of fruitless

efforts at setting an output ceiling, had an immediate effect, pushing prices up \$3 a barrel from the \$15

But analysts noted Wednesday

\$15 a barrel in the next month."

and that these stocks are being los

drawn down now instead of nev is purchases from suppliers."
Analysts believe current inven

Arab Emirates are exceeding their quotas and that other OPEC members are "cheating" — Iran, by apparently entering into barter agreements, and Nigeria by apparently engaging in price discounting.

OPEC has also been hurt, analysts the members are the members and the control of the control o lysts say, by unusually warm winter weather, which has cut into de-

mand. Even so, the OPEC pact is being challenged earlier than many observers had anticipated. "Everyone expected the severe

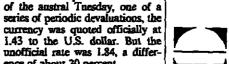
test to set in during March or April," said Humphrey Harrison, chief oil analyst with the NatWest Investment Bank Group. Even so, he said, "OPEC isn't particking," "OPEC could walk away from

trying to maintain a fixed price," he said, but this would embarrass King Fahd of Saudi Arabia, one of the main architects of the December plan. "The only thing they can do," he added "is reduce quotas across the board for second-quarter production - yet, given the difficulties in setting quotas last time, that might just be impossible."

Fahd, Mr. Harrison noted, might have been willing to allow Saudi er, to act temporarily as a swing producer - cutting its production - to bring overall output back in line with the December accord. "But when there's cheating by

other OPEC states, absorbing the slack would not be acceptable in domestic political terms," he said. Mehdi Varzi, analyst with Kleinwort Grieveson & Co. in London, takes a dissenting view on the need for OPEC to meet before its scheduled June 25 session.

"OPEC won't need to call an emergency meeting. It can't expect to control short-term volatility in price movements," he said.



Weekly net asset value

Tokyo Pacific Holdings N.V.

Listed on the Amsterdam Stock Exchange

on February 23, 1987: U.S. \$178.01

Information: Pierson, Heidring & Pierson N.V., Herengracht 214, 1016 BS Amsterdam



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Sources: Indosuez Bank (Brussels); Banca Contracrolale Hollans (Allian); Baneue Notionale de Paris (Paris); Bank al Tokyo (Tokyo); IMF (SDR); BAII (dinor, riyol, dirham); Gasbani (Tuble), Other date Irom Reviers and AP.

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Asian Dollar Deposits U.S. Money Market Far

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closing prices; New York so. All prices in U.S. S per tunes.

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called for more concrete measures. An EC economist said that the commission believed that the accord 'needs more flesh." In its annual economic report last autumn, the EC moves to shore up the European Monetary System. had projected 1987 growth at 2.8 percent. But the But it warned that the battered system could not be commission warned Wednesday that prospects were expected to carry the entire burden of cooperation.

Japan and West Germany.

The Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe Strasbourg/Paris



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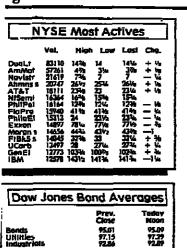
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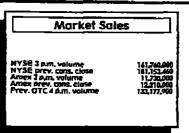
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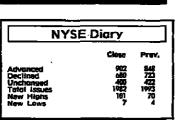
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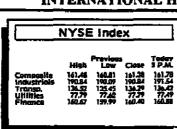
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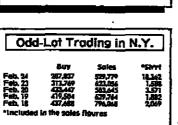




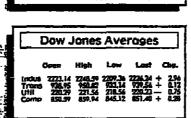


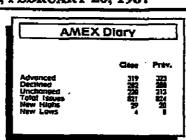


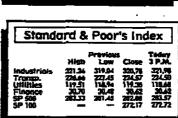


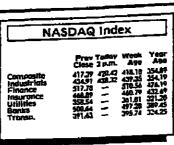


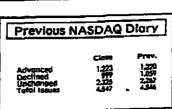








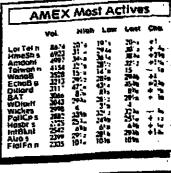




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# NYSE Investors on Sidelines

Stock Exchange were narrowly higher late Wednesday in active trading as the combination

of a two-month increase in prices and the im-pending release of the Tower Commission's report on the Iran-contra scandal Thursday kept investors on the sidelines. The Dow Jones industrial average, which rose

Although most U.S. stock market tables in this edition are from the 4 P.M. close in New York, for time reasons, this article is based on the market at

6.74 points on Tuesday, was up 2.11 to 2,225.39 at 3 P.M. Wednesday. Gainers were leading losers 8-7 among NYSE

issues traded.

Volume an hour before the close was 161.76 million shares, up from 124.19 in the same

period Tuesday. Prices were higher in active trading of Ameri-

can Stock Exchange issues. "People are waiting for the Tower Commission report, but we are also in the eighth week of an advance and, historically, the market undergoes a pullback after such a climb," said Ralph Bloch, senior vice president and chief market analyst at Raymond, James & Associates in St.

Petersburg. He noted that in the past two days, the market's leadership has narrowed to some pharmaceutical issues and four blue-chip issues — Merck, American Can, General Electric and

Union Carbide.

Larry Wachtel, market analyst at Prudential-1011219942 101219942 101219942 101219942 10121944 10121944 10121944 10121944 101219 101219 101219 101219 101219 101219 101219 101219 101219 101219 101

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NEW YORK - Prices on the New York impact of the release of the Tower Commission

the last several days that the market has lost its powerful momentum," Mr. Wachtel said. "That's only natural after a two-month climb. The bond market is weak, the dollar is weak, and prices are already 19 times earnings," Mr.

Wachtel said. Duquesne Light & Power was the most active NYSE-listed issue, up a bit.
American Motors was up slightly in active trading. Ford was up, but General Motors and Chrysier were lower.

H.F. Ahmanson was showing a modest gain. Merrill Lynch called the issue a strong buy.

Money center bank issues continued to weaken after Brazil's suspension of some interest payments. J.P. Morgan, Chase Manhattan,

Bankers Trust and Manfacturers Hanover were IBM was lower. On Tuesday, IBM's board increased a repurchase authorization by 4 mil-lion shares to a total of 19 million shares, or 3.1

percent of IBM's approximately 610 million shares outstanding. Among blue chips, AT&T was unchanged, but Merck, Union Carbide and General Electric

Prices of most oil company stocks weakened as oil futures prices on the New York Mercan-tile Exchange extended Tuesday's slide. Exxon,

Texaco and Mobil were lower.

Lorimar-Telepictures, Home Shopping Net-work and Amdahl topped the list of Amex actives; all were gaining. Sis. Close
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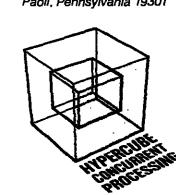
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Company Results

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2 34 20 20 5 5 Brovo! The men and women of CFM International on both sides of the Atlantic congratulate Airbus Industrie on the first flight of their new generation aircraft, the impressive A320. We are proud of the CFM56-5 engines providing the power for this milestone flight, engines that will contribute to the success of this advanced transport with high reliability and the lowest operating cost available. CFM International is proud to be aboard. cfm international 

**US. Futures** 

Via The Associated Pres

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62.00 

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**Currency Options** 

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Floating-Rate Notes

**Dollars** 

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Deutsche Marks

**Ecuador Crude Oil Exports** QUITO, Ecuador — Ecuador nearly doubled its crude oil exports in January, to 201,530 barrels per day, according to a central bank report. It said the country exported 112,600 barrels per day in Decem-

February 1987

0.19 0.37 0.65 1.15 99 YR. TREASURY (CBT) | ST00,500 perio- pri & 32nd/Ser 100 perio- pri & 32nd/Ser 100 perio- pri & 32nd/Ser 100 perio- pri & 32nd/Ser 100,11 perio- pri & 3 100-31 160-1 99-3 98-6 97-10 96-15 95-27 London **Dividends Commodities** 

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points and cents

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Prev. Day Open Int. 11.634 6/139
NYSE COMP. INDEX (NYFE) Commodity Indexes Moody's: bose 100: Dec. 31, 1931, p-preliminary; f-final Reuters: bose 100: Sep. 18, 1931, Dow Jones: bose 100: Dec. 31, 1974,

Spot

Commodities

S&P 100 Index Options

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21.80 21.80 22.70 22.72 81.93 81.93

## **INTERNATIONAL BANK** FOR RECONSTRUCTION AND DEVELOPMENT

Washington, D.C.

DM 200,000,000 51/2% Deutsche Mark Notes 1987/1993

reache Kommunale Landesbank Kreditanstall Oldenburg

Die Erste österreichische

Deutsche Girozentrale

- Deutsche Kommunalbank -

(Frankfurt) GmbH

Westdeutsche Landesbank Girozentrale

Pounds Sterling

Caja de Madrid DSL Bank Deutsche Siedlungs

Landeshank Rheinland-Platz

Crédit Communal de Belgiq

Första SparBanken

entekrediet van België

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**Asian** Commodities Feb. 25 INCAPORE COLD FUTURES U.S.5 per conn.s

Migh Lev Settle
Peb N.T. N.T. 403,00

Volume: 9 lobs of 100 cz.

KUALA LUMPUR RUBBER
Medrysken cestra per jale
Clease Pre
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Mesr 224,50 224,50
Apr 224,50 224,50
Apr 224,50 225,50

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Jue 224,50 225,50

Volume: 0 lots. Bld 187.50 185.00 177.50 175.00 146.50 164.50

KUALA LUMPUR PALM OIL Molovaine rinenits per 25 tons

| 1,512 | 1,510 | 1,515 | 1,546 | 1,540 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,511 | 1,51 **London Metals** Fd. 25

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INSTRAL

**US.Treasuries** Prev. Yield SSE SSP SSP Prev. Yield 7.53

**DM Futures Options** 

WY NOTES

Saab Profits Rose 15%

\*In 1986 on Car Sales

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# IBM Unveils 4-Megabit Chip, **Increases Shares in Buyback**

NEW YORK - International Business Machines Corp. said Wednesday it had designed a computer chip capable of storing more than four million bits of data, four times as much as any chip in use.

IBM said four-megabit chip has been made on the same line used to produce one million-bit chips at its plant in Essex Junction, Vermont. The new chip is in only 35 percent larger than the one-megabit chip. In a separate development Tuesday, IBM said it would buy back an additional 4 million shares, with a current value of about \$570 million, beyond the 15 million shares announced last year. Analysts said the stock buybacks, representing 3.1 percent of IBM's 610 million shares, were a way for it to use its strong cash flow and help raise the price of the stock to benefit shareholders.

IBM stock, which hit a low of \$115,75 in January, was down slightly midday Wednesday, to \$142.875 from \$143. (Reuters, UPI, AP)

## Analysts Say ICI Will Post £1 Billion Pretax Profit cluding fiber, industrial and specialty chemi-cals, the brokerage Barclays de Zoete Wedd

LONDON - Imperial Chemical Industries PLC is expected to gost a pretax profit Thursday of more than £ billion (\$1.54 billion) for 1986, a gain of at least 11 percent from the previous year, industry analysts said Wednes-

The analysts said that ICI, the world's fifthlargest chemical company in sales, was among the blue-chip stocks that have attracted American buyers during the surge in the British stock market in recent weeks.

In ICI's case, the market was reappraising the company's pharmaceuticals division. ICI's share price surged to about 145.8 peace early Thursday on the London Stock Exchange from 105.9 pence at the start of trading.

Analysts see ICI's steadily expanding pharmaceunicals activities as a key area for profit growth in the 1990s.

But improved margins and restructuring in its more traditional chemicals, petrochemicals and plastics businesses also likely helped ICI reach a pretax profit of £1.01 billion to £1.05 They said that such factors would swell profit billion in 1986, analysts estimated, an increase in ICI's petrochemical and plastics business by more than 100 percent to £195 million to £220 of about 11 to 15 percent from £912 million in

The company's pretax profit declined in 1985 from record earnings of £1.03 billion in 1984. Analysts predict that its pretax profit will rise to at least £1.3 billion in 1987.

Sir John Harvey-Jones, who took over as ICI chairman in 1982, has steered the company away from its early emphasis on bulk chemicals toward a focus on profitable high-value specialty products, which are less vulnerable to currency and oil price swings.

But last year, it was the weaker dollar and lower energy and feedstock costs that belped boost earnings in many of ICI's activities, in-

But analysts pointed out that there was little room for growth in the volume of the chemicals and petrochemicals sectors. Growth in pharmaceuticals offers more potential, said Martin Evans, an analyst with Broker County Securities. If a number of drugs now in the research and development stage are introduced by ICI as expected in the 1990s, he

said, the products could contribute as much as

45 to 50 percent to pretax profits instead of the

million, up from £97 million in 1985. Profit in

the general chemical sector was expected to rise by at least 20 percent, to £170 million to £180

million, from £138 million in 1985.

#### Sabena, SAS Near Accord On Cooperation

By Juris Kaza

BRUSSELS -- Sabena of Belgium and Scandinavian Airline System will reach a joint decision in April on how to challenge bigger carriers as Western Europe moves to de-regulate its airline business, it was disclosed Wednesday.

A spokesman for Sabena said the two airlines planned to meet in April on plans to cooperate. Industry sources said the accord could involve joint operations on many routes and the

joint purchase of planes. Sabena's chairman, Carlos van Rafelghem, said last month that any pact with SAS would combine their medium- and long-distance networks in a system based on two hub airports in Brussels and Copenhagen.

**COMPANY NOTES** 

American Express Co. and its Swiss subsidiary,

Trade Development Bank, told the U.S. Securities and

Exchange Commission that they have reduced their

stake in South Atlantic Financial Corp. to a combined

2.29 million shares, or 35.6 percent of the company,

from 2.72 million shares, or 42.3 percent.

Areo Chemical Co., a unit of Atlantic Richfield Co.,

said it had signed letters of intent with Enichem

Polimeri SoA of Italy to form joint ventures for

making and marketing chemicals in Europe and North

America. The venture will build a U.S. plant to make

Enichem's thermoplastic elastomers and a European

facility to make Arco's Dylark engineering resins.

Armen Inc., the fifth-largest U.S. steel producer,

said it had sold several European operations to TI

quarter ended Jan. 31 edged op about 4 percent, to 102.1 million Canadian dollars (\$76.5 million), or 1.07

Bank of Montreal said its net profit in the first

Group PLC of Britain for \$41 million in cash.

from 1.2 billion in the like period of

For the full year, earnings were up 15 percent to 3.33 billion kronor from 2.9 billion in 1985, while sales STOCKHOLM - Saab-Scania AB, the Swedish automotive and acrospace group, said Wednesday rose 11 percent to 35.2 billion krothat pretax profit in the final four months of 1986 rose 9 percent, to 1,31 billion kronor (\$201 million) nor from 31.8 billion.

Saab-Scania's president, Georg Karnsund, attributed the gains almost entirely to improvements at the group's car and car-parts divi-

At the Saab car division, 1986 sales jumped a strong 17 percent, to 14.14 billion kronor, although earnings edged up just 3 percent, to 941 million kronor. The Scania di-vision — which includes trucks, buses, auto parts and agency sales of Volkswagen and Audi cars in Sweden — boosted sales 12 percent to 15.22 billion kronor and profit 30 percent to 2.37 billion kronor.

For the year, earnings were off at most other divisions, with the aircraft sector swinging into a loss of 33 million kronor compared with a profit of 106 million kronor in 1985.

Mr. Karnsund said, however. that sales and earnings for the SF-340 midsize commuter aircraft were rising, with 12 aircraft delivered in December alone, for a total of 37 during 1986.

Mr. Karnsund said management had proposed a dividend of 16 kronor, up from 14 kronor in 1985, plus a bonus of 2 kronor to cele-collect figures for this irregular pebrate the 50th amiversary of the founding of Saab.

#### Matsushita Sees Lower Net Profit In Current Quarter

Reuters

OSAKA, Japan — Matsushita Electric Industrial Co., Japan's for Carling O'Keefe Ltd. of Toron-to, Canada's third-largest brewery, largest maker of consumer electronics products, predicted Wednesday that net profit would has left the future of its chairman drop 40 percent in the four-month Pierre Des Marais 2d, uncertain. period to March 31 to 41 billion yen (\$266.8 million as current exholder, Rothmans Inc., the Canadian unit of the British tobacco giant, Rothmans International PLC, has

change rates). Sales would drop 10 percent to 1.420 trillion yen.

Matsushita's accounting year usually ends Nov. 20, but it will riod before switching to a fiscal year ending March 31, 1988.

Kraftwerk Union AG, a wholly owned subsidiary of

Siemens AG, said it had its worst year in its 18-year

history last year, because of negative attitudes toward

nuclear power. In the fiscal year ended Sept. 30, KWU

did not book a single large order and thus total revenue fell to 2.7 billion Deutsche marks (\$1.49

billion) from a record 11.4 billion DM the year before.

Litton Industries Inc. has agreed to acquire Lamb

Technicon Corp., a leading supplier of automotive

industry manufacturing systems, in a stock swap val-

Nynex Corp. said it acquired Business Intelligence

Services Ltd., a British computer software company,

for approximately 1.65 million shares of Nynex com-

mon stock. BIS is an information technology and marketing services organization operating worldwide.

Pharmacia AB of Sweden said its unrestricted Class

with about half its business outside Britain.

ued at \$100 million.

Mr. Des Marais, 52, has been on Carling's board since 1983. He was named chairman in October when Roderick McInnes resigned abruptly as chairman, president

**BUSINESS PEOPLE** 

By Arthur Higbee International Herald Tribune A \$294.3 million takeover offer

The brewery's controlling share-

said it will sell its 50.1 percent stake

Elders, an Australian brewing

company, said it planned to main-

tain Carling's current management

to Elders IXL Ltd..

if its bid was successful.

and chief executive. Mr. McInnes left after more than two years in which the brewer had not done well, analysts told The New York Times. The mission of Mr. Des Marais, who subsequently became president and chief executive 35 well as chairman, was to

turn Carling's business around. Carling O'Keefe, which ranks behind the Canadian brewers John Labatt Ltd. and Molson Companies Ltd., has a market share of about 25 percent.

It is licensed to sell Miller beer in Canada and has sold the popular Elders beer. Fosters Lager, since last year. Carling owns the Quebec Nordiques hockey team; Molson

#### New Chairman At Air France

**Takeover Puts Carling Post in Doubt** 

PARIS - The French cabinet on Wednesday confirmed Jacques Friedmann, a longtime adviser to Prime Minister Jacques Chirac, as chairman of the state-owned airline Air France.

Mr. Friedmann, 54, replaces Marceau Long, 60, the chairman since 1984, who will become vice president of the Council of State, France's highest legal tribunal.

Mr. Friedmann is a former chairman of the Compagnie Générale Maritime shipping group. He has no experience in airlines, but is expected to play a primarily political role along-side Henri Sauvan, 63, Air France's director-general since

pace and electronics company said that the promotion makes Mr. Kresa, 45, the leading candidate to succeed Thomas V. Jones, 66, Northrop's chairman and chief executive. Mr. Kresa, who also becomes chief operating officer, has been senior vice president for technology development and planning since March 1986.

Mattel Inc. has promoted John

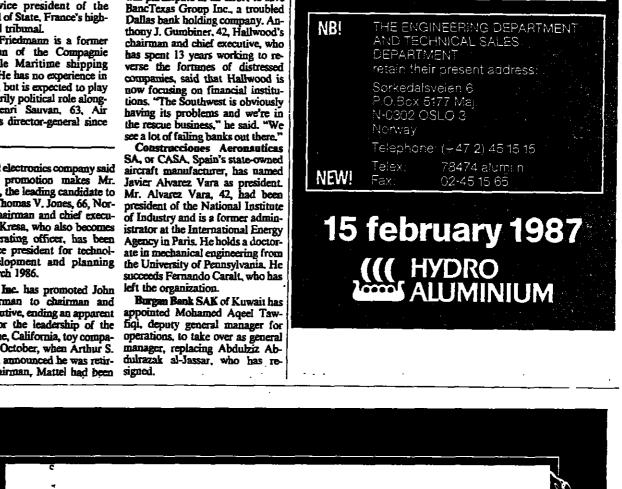
run by a three-man executive committee consisting of Mr. Amerman, 55, as president of Mattel International: Thomas J. Kalinske, 42, president of Mattel, and Raymond W. Ferris, 45, executive vice president and chief (inancial officer. Analysts said that Mr. Amerman apparently was promoted because his division was profitable last year while Mattel as a whole lost \$951,000.

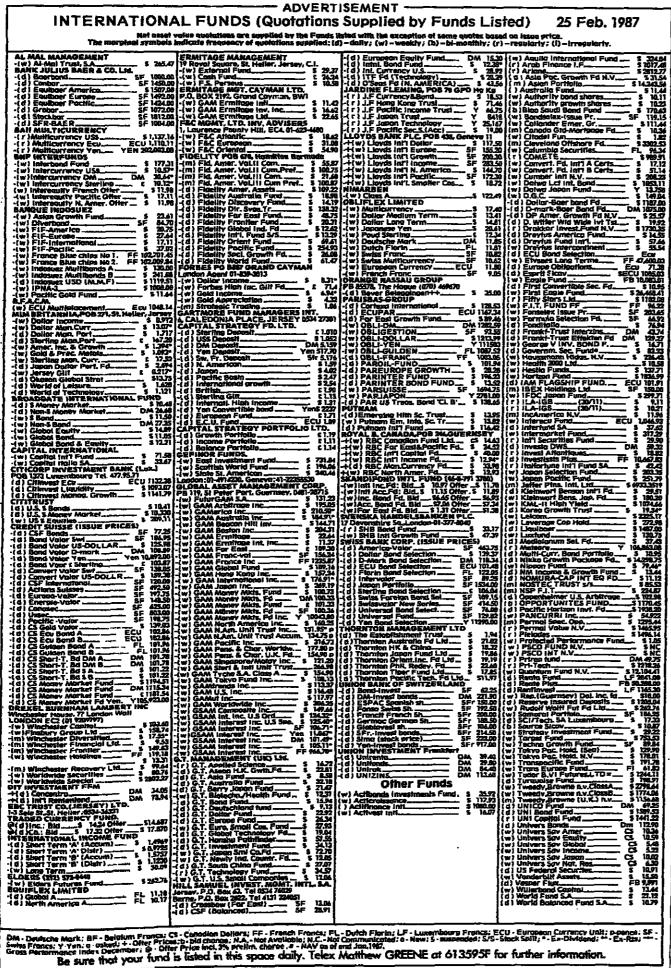
Hallwood Group Inc., a New York-based funancial services and real estate firm, has announced it will participate in an effort to save

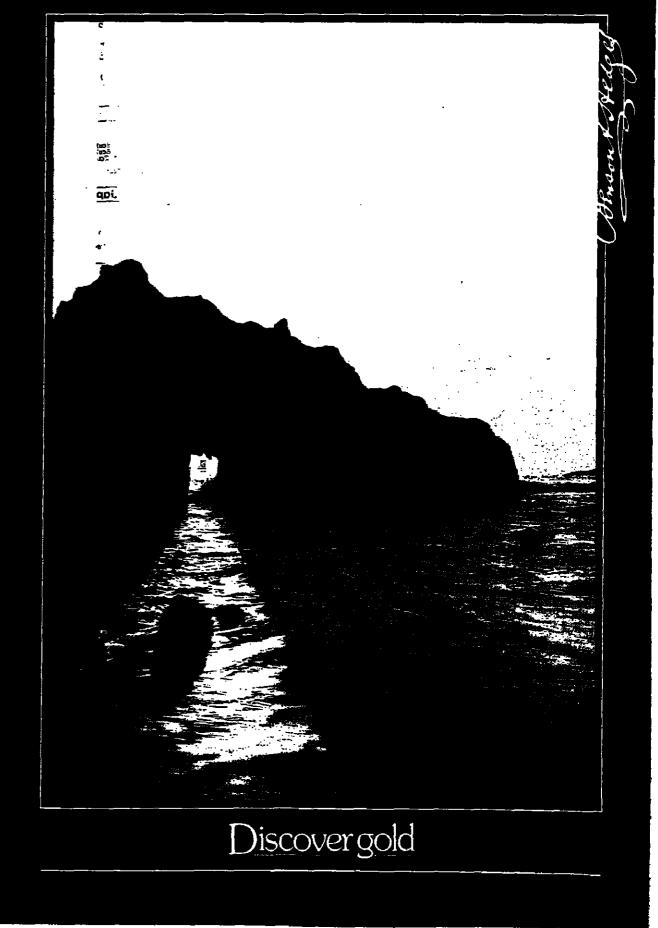
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current one-third.

#### B shares would be listed on the Tokyo Stock Exchange Holden's Engine & Components Co., a General on Feb. 26. It said it would place about 500,000 Class W. Amerman to chairman and owns the rival Montreal Cana-Burgan Bank SAK of Kuwaii has Motors Corp. unit based in Melbourne, said it had chief executive, ending an apparent B shares in Japan through Daiwa Securities. appointed Mohamed Ageel Taw-USX Telecenters Corp., a California telephone-retailing franchiser with trademark rights to its name, sent its first shipment of Austranan-mode can capacity of GM's Pontiac division in Michigan HECC, Australia's largest single exporter of manufactured goods, said it would change its name after an out-of-court settlement with USX Corp., which changed its name Northrop Corp. has promoted contest for the leadership of the fiqì, deputy general manager for Kent Kresa to president, succeed-Hawthorne, California, toy compaoperations, to take over as general ing Frank W. Lynch, 65, who has ny. Since October, when Arthur S. manager, replacing Abdulziz Abdulrazak al-Jassar, who has rebeen named vice chairman. People Spear, 66, announced he was retircylinder engines to power the Pontiac Sombird. last year from U.S. Steel. familiar with the Los Angeles aeroing as chairman, Mattel had been signed.







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Finland*	F.M.	1,630	880	490	4.50	8	FML 35	F.M. 1,274
France	FF.	1,400	760	420	3.85	7	F.F. 3.15	F.F. 1,147
Germany*	D.M.	560	300	170	1.55	2.7	D.M. 1.15	D.M. 419
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Norway*	N.Kr.	1,650	900	500	4.50	8	N.Kr. 3.50	N.Kr. 1,274
Portugal	Esc.	19,000	10,400	5,700	52	125	Esc. 73	Esc. 26,572
Spain*	Ptas.	26,500	14,600	8,000	73	135	Ptas. 62	Ptas. 22,568
Sweden*	S.Kr.	1,700	920	520	4.70	8	S.Kr. 3.30	S.Kr. 1,200
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Rest of Africa Gulf States, Asia * In these countries,	\$	550	300	165	1.64	Varies by country	\$ 151	<u> </u>

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# Dollar Mixed in Lackluster Trading

LONDON — The dollar ended mixed but little changed Wednesday in dull European trading, and dealers said they expected few major corrency movements before U.S. trade figures are released on Friday.

They said market sentiment was hearish on the dollar because of nervousness about Brazil's suspension of interest payments on part of its foreign debt and fears that the release Thursday of the Tower Commission report on U.S. arms sales to fran could further weaken the U.S. administration.

But operators were hesitant to push the dollar lower in light of last weekend's Paris agreement to stabilize currencies. Although the meaning of the accord was unclear, dealers said they feared that central banks would intervene if the dollar began to slide.

In London, the dollar closed at 1.8275 Deutsche marks, down slightly from Tuesday's close of 1.8350 DM, and at 153,60 yen, al-most unchanged from 153,78.

The British pound, meanwhile, came under some pressure during the day as prices of spot Brent crude oil fell to less than \$16 a barrel for the first time since December. Sterling closed almost unchanged against the dollar, at \$1.5385 compared with \$1.5392.

Operators said the dollar rose against the Deutsche mark in late afternoon trading on some position squaring and interbank orders, but held to an extremely narrow range for most of the day.

Friday's U.S. trade figures were expected to provide some direction for dollar trading. Dealers are expecting a January deficit of \$13 billion to \$14.5 billion, after a surprisingly low deficit in December of \$10.7 billion. **London Dollar Rates** 1,8275 1,5385 753,60 1,5383 4,0825 1,6358 1,5392 153,78 1,5500 4,1855

The dollar could come under renewed pressure if the deficit is above \$14 billion, as the market would want to test the strength of

the Paris accord by the six major industrial countries to keep the dollar at current levels, traders said. U.S. durable goods orders data U.S. durable goods orders data for January, postponed from Tues-Swiss francs, down from 1.5540 day to Thursday, were expected to

have little impact on trading unless markedly out of line with expecta-

Dealers were also anxiously watching developments in Brazil's debt position and said the long-term effects on the dollar and the U.S. economy would be profound if Brazil decided to end interest payments on its foreign debt.

In earlier European trading the dollar was fixed in Frankfurt at 1.8248 DM, down from 1.8388 at Tuesday's fixing, and in Paris at 6.0740 French francs, down from 6.1215.

West Germany and Japan.

#### Mitterrand Supports G-7

The Associated Press PARIS - President François Mitterrand said Wednesday that Italy and Canada should be included whenever major Western nations discuss mone tary affairs.

Italy refused to participate in Sunday's meeting in Paris of financial officials from six countries, saying central points had been decided the previous day by the Group of Five - the United States, Britain, France,

The G-5 plus Italy and Canada make up the Group of Seven.

# Kaufman Sees Fall in U.S. Discount Rate, Dollar

TOKYO — Henry Kaufman, chief economist at Salomon Brothers Inc., said Wednesday he expects at least one more half-point cut in the key U.S. discount rate by midyear, and the dollar to resume its decline in the next few

Mr. Kaufman, whose opinions for the large U.S. investment bank are widely followed by financial markets, said at a news conference he would not be surprised if the dollar fell to 140 yen and 1.70 Deutsche marks by the end of this year. The U.S. currency now is trading around 153.65 yen and 1.83 DM.

However, he said, the dollar's current stability will last for the next month or two as the markets pause after the U.S. currency's fall over the past one and a half years.

The 5.5 percent discount rate, the benchmark for other U.S. rates, may not be cut within the next month, he added. But by midyear it would

reviving inflation.

In the United States, be added, the only way

to stimulate the economy is through the Federal Reserve's monetary policy. While a reduction in the U.S. government's budget deficit would help lower U.S. interest rates, a sharp cut in the deficit could pose dangers for the slowing U.S. and world economies.

The reduction would need to be gradual, he said, because the U.S. economy is not funda-

mentally strong enough to adjust.

A U.S. monetary policy is still needed that can immediately offset a reduction in fiscal stimulus with an effective measure of monetary injection, he added.

Mr. Kaufman said concern about a sharp decline in the dollar comes mostly from the Federal Reserve, rather than the U.S. Treasury, because the currency's fall could disrupt capital

be cut by a half-point to stimulate sluggish U.S. and world economic activity, without fear of icularly from Japan and West Germany.

A sudden drop could also disrupt global financial activity, he said, adding that this may be the underlying reason the United States was willing to attend last weekend's meeting in Paris called by the seven major industrial de-

mocracies, the so-called Group of Seven. Yet Mr. Kaufman said last weekend's Paris meeting did not address the complex issue of how to manage the new financial world where there are massive movements of funds because of economic differences, regulations and innovations.

Those movements have a substantial impact on the value of financial assets, interest rates and currency pacts, he said. "I think the G-7 meeting was helpful, but I think the G-7 meeting is not going to cure the problems that today are the impediments to economic expansion."

#### THE EUROMARKETS

## Floating-Rate Sector Still in the Spotlight

LONDON — Most sectors of the Eurobond market again closed steady Wednesday, but attention remained focused on the floating-

rate-note sector, dealers said. The perpetual area of the market again remained effectively closed with most houses willing to trade only on an indicated basis.

However, in the dated FRN sec-tor, U.S. banks suffered a renewed bout of selling from investors who are still nervous after Friday's news that Brazil was suspending interest payments on its foreign debt, dealers said. Traders noted that FRNs for U.S. banks have always been vulnerable to concern over Latin

American debt exposure. "They're the ones that lent so much money. It's obvious their paper's going to be sold when probems emerge," one trader said.

by up to a full point, although some traders felt that the market would

recover shortly.
One new FRN was launched, although dealers said it was essentially a publicly marketed asset-swap that would probably not trade

widely on the secondary market The \$150 million note was issued by Nomura International Ltd. on behalf of a company incorporated in the Cayman Islands called Lives Ltd. The live-year bond pays % point over the six-month London interbank offered rate.

It was quoted on the when-issued market above the par issue price at about 100.03. The issue pays total fees of 10 basis points.

Otherwise, activity on the primary market was quiet after Tuesday's batch of new issues. The day's only dollar straight was a \$100 million bond for the Queensland govern-Prices of some bank names fell ment's development authority

guaranteed by the State of Queensland.

It was seen by some dealers as being a little on the tight side, but it closed the day only just outside the total fees of 1% percent at a disdown from 11.5 percent in 1985 and 1984. count of 1 15/16 percent. The lead manager was Credit Suisse First Boston Ltd.

The recent steady flow of new yen offerings continued with a 20 billion yen bond for France's Caisse Nationale des Tèlècommunications. The seven-year issue pays 5% percent and was priced at 102%. The lead manager was IBJ International Ltd. It ended within

the 1% percent fees. Back in the secondary markets, the dollar-straight market ended unchanged to a touch firmer, with prices tending higher during the afternoon on the back of firmer bond prices in the United States, dealers said.

# PEUGEOT: Restructuring and Automation Give a New Reason to Roar

geot last year gave little ground in Europe, despite an onslaught by the Japanese automakers. In 17 West European countries, Citroën and Prugeot sales together climbed 7 percent to 1.3 million and represented 11.3 percent of all cars sold,

That put Peugeot in fourth place among Europe's six largest auto produces in terms of volume behind Volkswagen/Audi/SEAT, Fiat SpA and Ford Motor Co. and ahead of General Motors Corp. and Renault, the No. 1 French car

Behind the overall market-share figures, however, were important gains for Pengeot in West Germany and Britain, the two largest suto markets in Europe. In Britain, Peugoot's unit sales soared 79 percent, almost doubling its share to 4.3 rose by 25 percent, giving it 1.8

cars, reaching 3 percent of the mar-ket, while Citroen's sales climbed by 25 percent, gaining 1.6 percent of the market.

To achieve those gains, Jean Boillot, president of the Peugeot division, told journalists last month that the company made a strategic choice to pull back in France and divert production to faster-growing export markets.

As a result, Peugeot's penetration in France fell almost three percentage points to 31.9 percent, putling it neck-and-neck with government-owned Renault.

"If Pengect played the European card, it's not to obtain immediate profits, but to build its position for the longer term," he said.

Much of Peugeot's turnaround can be attributed to the success of the Peugeot 205 - a "supermini," in industry parlance - which acpercent, while Citroen registrations counted for almost a third of Peogeot's unit sales last year. The modpercent of that market. In Germa- et, introduced in 1983, is now

103,600 francs.

Industry analysts say Pengeot found success with the 205 because it debuted with a wide range of options, such as a five-door version, that could satisfy a larger segment of the market. Timing was nault's R5, a comparably sized

And last fall Peugeot stirred up excitement in the industry with its Peugeot's sales director, Victor introduction of the Citroen AX supermini. Produced at a highly roboticized factory in Aulnay, the AX is Mr. Calvet's gamble against conventional wisdom — that money can still be made on

small cars. The car - priced at 43,400 to with a midrange family car. 65,000 francs - got off to a slow start, reaching only half of projected sales in France by the end of the year. Nevertheless, Citroen has be-sporty version of the popular 205 gun rolling out the model in other would have gone much further than

sions, priced from 46,900 to or about 2 percent of the market. Meanwhile, Peugeot is committed to boosting its presence in the U.S. market, where annual sales of the Peugeot luxury class model 505 have been languishing around 15,000 units in the past few years. A new lineup of engines for the also important, as the 205 came out just as interest was waning in Renault's R5, a comparably sized 505, as well as the introduction of a midrange model 405 by late next year, will provide the ammunition for Peugeot to hit its target of 50,000 cars by 1990, according to

> Industry observers are skeptical. however. Paul Capella, a Paristant with DRI Europe, said it would be difficult for Pengeot to build an image in the United States "it's a rather half-hearted way to

approach the American market." Mr. Capella said, adding that a countries, and it is aiming to sell the 405 and 505 toward establish-230,000 AX cars in Europe in 1987, ing the brand in the United States.

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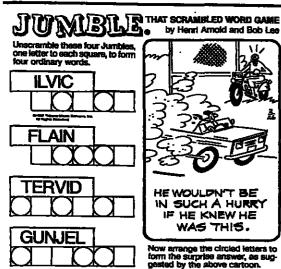
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#### DENNIS THE MENACE



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A young girl starts to do this when she be a teen — PREEN

## WEATHER

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#### **BOOKS**

THE ESSAYS OF VIRGINIA WOOLF: Volume 1, 1904-1912

Edited by Andrew McNeillie. 411 pages. \$19.95. Harcourt Brace Jovanovich, 1250 Sixth Avenue, San Diego, Calif. 92101.

#### Reviewed by Richard Eder

TF as much conscientious attention had been L given to the Challenger project as has gone, these past dozen years, into the lives, works and foibles of the Bloomsbury Circle, we would today be able to review the first-person accounts of the space-launch crew. In whatever time could be spared, that is, from the newest batch of books about Bloomsbury.

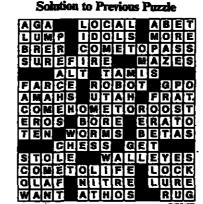
Twenty years ago, Leonard Woolf brought out a four-volume collection of essays by his wife, Virginia, the greatest and most enduring talent among a group of writers that included Lytton Strachey, John Maynard Keynes, Ger-ald Brenan and others. The collection consisted of those essays that Virginia had herself chosen for publication, and others that Leonard believed would have met her publication standards.

Now we are to get the rest. Andrew McNeil-lie has edited all of Virginia WoolPs nonliction newspaper and magazine pieces that he was able to trace, in a collection that will come to six volumes. They will include about 500 essays and reviews, roughly twice the number selected by Leonard Woolf. In the first volume, McNeillie's diligence is particularly evident: Eighty-three of the 109 selections have never

appeared in book form.

The reason, of course, is that the material is drawn from Woolf's first eight years as a free-lancer. A good deal of it is trivia and of little interest other than the kind that delights in contemplating Napoleon's waistcoat buttons.

Much of the first volume, and a preponderance of the pieces done between 1904 and 1906, are either brief three- or four-paragraph reviews of forgettable books written for the Times of London Literary Supplement, or longer reviews and essays written for the Guardian - not what was then called the



Manchester Guardian, but a trade paper for Daysons.

Woolf, starting out, gives us conscientious plot summaries of such perishables as A.J. Dawson's "The Fortunes of F rthings," a nowel about a young man shanghaied by pirates and sold to the Sultan of Morocco, Even more conscientiously, McNeillie searches out the book and gives us page citations for each of the quotes. Why? Is someone going to try to read "The Fortunes of Farthings"? Scholarship has its mysteries.

Woolf squeezes to find invisible virtues in the books she was given, but it is the invisibility she transmits, not the virtues. Later, still observing the conventions, she learns to put teeth in her smile

And here we come to one of the interests of the collection: We see Woolf's literary bone structure emerge from the baby fat. Even while turning out the puffs, she would write scathing comments about the same books to a friend, and refer to herself by her private nickname "Goat." Gradually, never loosing her delicacy, she began to offer public glimpses of this private goal

Even early on, a phrase stands out here and there. In a stilted essay about a dog, here is an obvious thought expressed in a family disturb-ing fashion: "We deliberately transplant a little bit of simple wild life, and make it grow up beside ours, which is neither simple nor wild." An early review of "The Golden Bowl" projects her a long way ahead of herself. She compares James to a painter who painstakingly sets down every muscle and bone. He would be greater "if he were content to say less and

And by 1907, about 50 selections into the book. Woolf has all but dropped the Guardian, is doing longer pieces for The Times, and is coming into her prime. Her essay on Thomas Hood declares her belief that literary portraiture can find its richest subjects in secondary figures: "Keats lived in a street and had a neighbor and his neighbor had a family."

The rewards multiply. Reviewing two travel books, she argues that it takes a stranger to write properly about a place. Natives are too

"Oxford Street, Kensington Gardens, Picca-dilly — the names of these places alone rouse so many echoes, the sight of them is so confused with a multimde of other sites, that a Cockney who should sit down to describe them might end with an essay upon party government or a dissertation upon the immortality of

Her touching and celebrated portrait of Louise de la Valhère, a mistress of Louis XIV, comes in here. So does the imperious Lady Holland, who ruled her salon with a sharp tongue, and who once thundered at an eminent and overly talkative guest: "Enough of this,

Richard Eder is on the staff of the Los Angeles

five diamonds and North con-tinued boldly to six on the the-ory that his hand was far better been able to take three heart

## **BRIDGE**

By Alan Truscott

A dresses one of the game's for diamond purposes than it ruffs in the dummy. No finesse NEW book that adthe bridge record for title length: "Everything You Always Wanted to Know About Trump Leads and Were Not Afraid to Ask" by Dr. George Rosenkranz, It is available for S8.95, including postage, from The Bridge World, 39 West 94th Street, New York, N.Y. 10025. This is certainly the last word on trump leads, setting

making such a choice and illustrating them with a selection of The most remarkable lead in the book, shown in the diagram, occurred in the 1967 European Championships in Dublin. South was no doubt intending to bid his six-card

heart suit on the second round,

players sitting North-South had thus achieved a rare feat: in two rounds of bidding they had reached a voluntary slam contract with a combined point count of 18.

The West player, for Italy, was Oscar Bellentani. He showed super-human restraint by passing five diamonds and passing again at the six-level. He knew that the North-South

hands must be freakish and that some of his possible de-fensive tricks would be cut down by ruffs. This was the consideration that caused Bel-lentani to make the remarkable lead of the diamond king, sacrificing a card that most play-ers would cling to in the hope

trumps to make his contract by

**4** 10 9 6 4 3 SOUTH Q 17543 Q 18653

he would have been able to draw trumps. And he would

Removing a trump from dummy proved crucial. South but that became inconvenient when his partner leaped to four spades. He retreated to was able to take two heart ruffs Close Prev **World Stock Markets** Feb. 24 Via Agence France-Presse Feb. 25
Closing prices in local currencies unless otherwise indicate

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Feb. 24

BUSE POIN

DALLAS - The National Col-DALLAS — The National Collegiate Athletic Association on Wednesday suspended the football program at Southern Methodist University for one year and said the school could play no home football games in 1988.

The governing body of college athletics thus enforced its so-called "death penalty" for the first time, providing the severest sanctions in ità history against the country's most scandal-ridden football program. "Not only is Southern Methodist

University a repeat violator, but its past record of violations is nothing short of abysmal," said a statement issued by the NCAA's committee on infractions, "Both the current case and the university's 1985 infractions case involved major violations that occurred at times when the university was on NCAA probation for pre-

The NCAA cited a series of violations involving payment of mon-ey to athletes, including one in permitted to resume normal prac-

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received payments totaling \$47,000 during the 1985-86 academic year and eight athletes got payments totaling about \$14,000 from Septem-

ber through December 1986. At a special meeting last summer, the NCAA adopted regulations that allowed it to suspend an athletic program if it violated NCAA regulations while on probation.

The sanctions include: SMU will be on probation un-

til Sept. 1, 1990.
• SMU will be allowed to play no football games in 1987 and will be limited to seven games in 1988 • SMU will be allowed no live

no bowl appearances immediately • Football practice during 1987 will be limited to conditioning pro-grams only, and no football equip-ment may be used other than hel-

television appearances in 1988 and

tice activities in the spring of 1988.

The school may have no more than one head coach and five assistants until Aug. 1, 1989.

No football scholarships will

be allowed this year, and no more than 15 players can be signed for No recruiting may take place by football staff members until

Aug. 1, 1988.
School officials have said they will not appeal the NCAA fundings.
SMU is the first school to fall

under recently passed bylaws that allow the NCAA to suspend an athletic program for up to two years. Such action can be taken when a program is judged to have violated NCAA regulations while

already on probation.

The Mustang football program did without promising anonymity.

There were also indications that was serving a three-year probation when additional allegations of illegrams only, and no football equipment may be used other than helmets and shoes. SMU will be president, L Donald Shields, republic even if the documents are signed; be cited health reasons. Res- opened in the future.

Bobby Collins. None of those posi-

SMU already was the most penalized school in NCAA history, the latest punishment being its fifth in the last 12 years. The football program was placed on probation twice in the last six years, 1981 and 1985, and the Mustangs' first brush with the NCAA was in 1958, when they

were put on probation for a year.
Although the NCAA released its findings Wednesday, there will ap-parently be no release of the names of those involved. SMU officials have said the identities of those violating NCAA regulations will be kept secret because they could not

the names of those involved have

#### VANTAGE POINT/Ira Berkow

# One Baseball Owner's Impeccable Logic

NEW YORK - When Don Mattingly had the nerve to win his arbitration case against the New York Yankees, George Steinbrenner, the team's principal owner and The True Sportsimed and snorted.

"He's like all the rest of them now," said The True Sportsman, "He can't play little Jack Armstrong of Evansville, Indiana. He goes into the category of modern-player-with-agent looking for the bucks. Money means everything to him." The implication is that Mattingly is a wrongheaded no-goodnik, and don't invite him to

dinger because he'll swipe the candelabra. Fact is, Mattingly is a professional baseball player, who, under the terms of the collective bargaining agreement between the Players Association and the owners, is given a right to seek

salary arbitration. Steinbrenner further implies that he is not a money-grubber like Mattingly. For Steinbrenner, certainly, is hardly in baseball for the money. That makes him an amateur owner, which confirms the suspicions of many.

Now, when The True Sportsman lost the case -his figure was \$1.7 million a year to Mattingly's \$1.975 million — he didn't sit back and say, O.K., congratulations, Don, and good luck." The True Sportsman railed that the arbitra-

tor was a burn and "probably never wore a jockstrap in his life." Of course, it's not imperative for one to have batted against Fernando Valenzuela in order to

rule on the relative merits of a ballplayer, just as one doesn't need a pilot's license to decide a labor dispute in the aircraft industry. The arbitrator in the Mattingly case was Arvid Anderson. If Steinbrenner believed Anderson was too incompetent to arbitrate a baseball question, he had plenty of time to say so. He didn't, and has been for 19 years. He has handled meaning he either believed Anderson's creden-

he could do nothing but spit sour grapes. No reasons are necessary. Then they decide on

reputations for impartiality, probity and sound the players were wage slaves. judgment. Anderson's credentials are lofty. He



George Steinbrenner

tor of the year for 1986 by the American Arbitration Association. He is the chairman of the New York City Office of Collective Bargaining, thousands of cases in mediation and arbitration

tials were acceptable, or, like an amateur owner, in the public, private and federal sectors. arbitration process as being worse for baseball An arbitrator may be removed from initial than free agency. What he seems to be saying is consideration if either side doesn't want him, that the owners should eliminate arbitration No reasons are necessary. Then they decide on inother arbitrator.

Arbitrators used by baseball have established just as they have suppressed free agency, thus sinking the players back to their status before 1976, when the reserve clause was in effect and

The True Sportsman also said that Mattingly is the president-elect of the National Academy now has "the monkey clearly on his back. He of Arbitrators and was recently named arbitra- has to deliver a championship for the Yankees

like Reggie Jackson did when he was the highest-paid Yankee. The pressure is on him. I expect he'll carry us to a World Series championship, or at least the pennant. He better do it just like Gary Carter did after he got his big

Certainly Carter was the sole reason the New York Mets won the title, and Keith Hernandez, Ray Knight, Wally Backman, Len Dykstra, Darryi Strawberry, Dwight Gooden, Ron Dar-ling, Bobby Ojeda, and Jesse Orosco, to name a

few, were superfluous, like tailbones.

As for Jackson, it is beyond question that he single-handedly won the championship for the Yankees in 1977 and 1978.

In 1977, he batted 286, with 32 home runs and 110 runs batted in. All right, so Graig Nettles had 37 homers and 107 RBIs, Thurmon Munson hit .308 with 100 RBIs, Chris Chambliss had 17 homers and 90 RBIs, Lou Piniella hit 330. Ed Figueroa and Ron Guidry won 16 games, Don Gullett was 14-4 and Sparky Lyle had a 2.17 earued-rum average. Insignificant. Everyone knows they were nothing more than Jackson's cheerleaders and bootblacks.

The same in 1978, when Jackson's numbers fell somewhat, to .274, with 27 homers and 97 RBIs, nearly the same, coincidentally, as Nettles (.276, 27 and 93). Guidry was only 25-3, Figueroa won 20, Catfish Hunter was 12-6, Rich Gossage led the league in saves, and Willie Randolph and Mickey Rivers were at the top of the batting order and played solid defense. But the True Sportsman knows that Mattingly, like Reggie and Rambo, must do it alone. We'll see, although Mattingly in the last two

years has tried mightily: His figures in 1985 were a .324 batting average, 35 homers, 145 RBIs, and last year they were 352, 31 and 113. He also played superbly afield. His statistics were superior to Jackson's in his championship seasons in the Bronx. Perhaps Mattingly could two effective free agents whom Steinbrenner refused to deal with this winter.

efused to deal with this winter.

Meanwhile, Anderson continues to arbitrate

Steaua Bucharest Surprises baseball disputes. In the two since Mattingly, he decided for the clubs - siding with the Philadelphia Phillies over Kevin Gross and the Cleveland Indians over Brett Butler.

Pursuing the impeccable logic of The True Sportsman, one must assume that Anderson has recently invested in a basic piece of athletic gear.

# Now Going to the Dogs Can Be Tax-Deductible

By Andrew Beyer Washington Past Service
WASHINGTON — When

Robert Grotzinger lost his job with a trucking company in 1978, he tried to support himself by betting on dog races.

According to the U.S. government, which would later take a keen interest in his activities, Grotzinger "devoted about half his waking hours to gambling at tracks in Florida and Colorado." At the end of the year, he filed a tax return that indicated he was a professional bettor

Grotzinger quickly ran afoul of the Internal Revenue Service, which argued that an individual could not be engaged in the business of gambling — thus altering the computation of his taxes. Not a great deal of money was involved (the IRS was trying to collect \$2,521.89), but the case was in the courts for years because a larger principle

On Tuesday, Grotzinger scored a historic victory. By a 6-to-3 vote, the Supreme Court took his side and ruled that he was engaged in a business as a full-time gambler.

The decision opens the way for gamblers to deduct legitimate business expenses (the cost of racing forms and travel to the track, for example) and may give them some other tax advantages. It does not permit them to deduct gambling losses on their taxes, but the ruling may have

other far-reaching consequences.
"This decision goes beyond
the issue of gambling," said Tom Aronson, director of legislation for the American Horse Council. "The court has chosen to establish another standard by which a person is held to be engaged in a business."

The old definition of what constitutes a business or profession had great importance for gamblers in the 1970s and early 1980s, because it enabled the IRS to zing them with an outra-geous catch-22.

According to the IRS, the proper way to show gambling transactions on a tax return was to list total winnings as income and total losses as a deduction, If a gambler bet \$400,000 during the course of the year and made a \$1,000 profit, he would show \$401,000 in income and a deduction of \$400,000. Sirens would sound and red lights would start flashing when the IRS computer got a look at such a tax return, of course.

**Dynamo Kiev in Supercup** 

gambler was socked to a "alternative minimum tax" because the IRS viewed that \$400,000 deduction as if it were some dubious tax shelter rather

In Grotzinger's case, the figures were less dramatic. He showed gambling income of \$70,000 and losses of \$72,032 in 1978. But regardless of the amounts, the IRS would not view gambling losses as legiti-mate expenses because it held that gambling was not a busi-

The IRS relied on an old Supreme Court decision that de-fined a trade or business as "the holding out of goods or services to others." Professional gamblers couldn't meet that standard, nor could certain other types of businessmen — for example, people who devoted most of their time to managing their own stock-market investments.

Some courts were willing to take a more liberal view of what constituted a business, saying in essence that if something looked like a duck, walked like a duck and quacked like a duck it must be a duck. Other courts cited legal precedent to insist that it wasn't a duck.

The Grotzinger case has resolved the longstanding dis-pute. Wrote Justice Harry Blackmun: "If a taxpayer devotes his full-time activity to gambling, and it is his intended livelihood source, it would seem that basic concepts of fairness (if there be much of that in the income tax law) demand that his activity be regarded as a trade or business just as any other readily accepted activity."

The ruling apparently has no effect on the statutory restriction that says gambling losses can only be deducted to the extent of gambling winnings. Moreover, stopping the IRS from using the alternative minimum tax against gamblers had already been accomplished by a tax-law change passed by Congress in 1982.

But the ruling will permit gamblers to take substantial deductions as business expenses. It should allow them to invest part of their gambling winnings retirement funds.

Most of all, the court has conferred legitimacy to the business of gambling. Bettors can come out of the closet.

Compiled by Our Staff From Dispo

Dynamo Kiev defenders.

trate a tight defense.

MONACO - Steaua Bucharest

scored seconds before halftime and

then held off a late charge to upset

Dynamo Kiev, 1-0, in soccer's Euro-

#### To Two Temple Streaks PHILADELPHIA - Bolstered by its strong defense, West Virginia pulled off an upset Tuesday night

New York Islander goaltender Billy Smith, long noted for his

short-fused temper and feistiness, hit Herb Raglan on the head

with his stick after he and the St. Louis defenseman made goal-

crease contact late in Tuesday night's opening period. Smith was

whistled for high-sticking and also received an unsportsmanlike

conduct penalty; during the resulting two-man advantage Doug

Gilmour tallied, starting the Blues on their way to a 3-2 victory.

W. Virginia Puts an End

that should have repercussions at national tournament time. The Mountaineers limited Temple to COLLEGE BASKETBALL

38.3 percent shooting from the field

**Battling Billy** 

in registering 64-61 upset of the fourth-ranked Owls. Temple had its 15-game winning

streak ended and its 33-game winning streak at McGonigle Hall

tried to keep them from executing couldn't free Nate. We found him like they did before against us" off a couple of screens, but he got a (Temple had posted a 67-57 victory tough shot. earlier this season).

West Virginia used a box-andone defense to control Temple guard Nate Blackwell, who scored only eight points — 12 under his average — and had only two assists. His shadow was senior guard JJ. Crawl. "I didn't take Blackwell all by myself," Crawl said. "I had a lot of help. I think that did it."

pean Supercup here Tuesday night. The victory did not alter the At-In the first major European club lantic 10 playoff picture, since championship final between teams Temple (28-3 overall and 17-1 in from Eastern Europe, Ghoeorhe the league) already had clinched meters (65 feet) in the 44th minute. West Virginia had sewn up second darken Temple's chances of gain-Heavily favored Dynamo Kiev ing one of the four top seeds for the pressured the Romanians early in NCAA tournament while doubl-

ropean player of the year Igor Be-lanov and Soviet player of the year Besides excellen Besides excellent defense, Crawl Alexander Zavarov on the attack, converted an off-balanced 15-foot The annual contest brings togeth55-55 tie with 53 seconds to play. Ames on Feb. 17).

er the winners of the two major That gave West Virginia the lead Missouri 80, Kans European cup competitions. Steams for good. Bucarest won the 1986 Champions

Temple then turned the ball

hit a 3-pointer to draw the Owls to 59-58 with 22 seconds to go. Tyrone Shaw connected on 2 foul shots with 19 seconds left for a 61-58 lead. Wayne Yearwood hit a free throw and Brooks scored on a layup to give West Virginia a 64-58

Temple was playing without 6-foot-10 (2.08-meter) center Ramon Rivas, out for the fourth straight game with an infected left heel, so the Owls needed their outside shooting. They didn't get it - Vreeswyk hitting 6 of 22 from the floor and

Howard Evans shot 5 of 16. snapped. "Howe and Mike could have "Our defense was terrific all shot the ball better," said John \*Howie and Mike could have night," said Coach Gale Catlett. Chancy, the losing coach. "You whose team had been allowing a can't fire the ball inside when miserly 60.5 points a game. "We they're packing it in and we

tough shot.
"I kept thinking sooner or later we were going to get a spanking. We'll just have to walk away from this and wait for the sun to shine

Shaw had 16 points for West Virginia, Brooks had 15 and Crawl 10. Vreeswyk led the losers with 18 points, while Evans had 15 and Tim Perry 14. The Mountaineers outre-

bounded Temple 41-29. Georgetown 79, Boston College 65: In Boston, Reggie Williams from Eastern Europe, Ghoeoche the league) already had clinched scored 25 points and Perry Mo-Hagi scored on a free kick from 20 the home-court advantage and Donald added 18 to lead seventhranked Georgetown. Never trail-His shot deflected off the wall of place. But Tuesday's result had to ing, the Hoyas moved into sole possession of second place in the

Iowa State 86, Oklahoma 84: In the match and through much of the tess improving West Virginia (21-6 Ames, Iowa, Tom Schafer hit a second half. But despite having Eu- and 15-3) in the eyes of the tourna- short jumper as time expired to lift Iowa State over No. 14 Oklahoma Schafer scored 29 points as the Cvciones pulled off their second upset the Soviets were unable to pene-jump shot with one second left on of a Big Eight power in a week trate a tight defense. jump shot with one second left on of a Big Eight power in a week the 45-second shot clock to break a (they beat 16-ranked Kansas in

Missouri 80, Kansas State 75: In Manhatian, Kansas, Lee Coward made a three-point shot with 1:43 Cup final by edging Barcelona in a over, as Darrin Pearsall could not to play to break the game's final tie penalty shootout, while Dynamo handle a Blackwell pass. Herbie and lift Missouri into first place in Kiev took last year's Cap Winners' Brooks sank two free throws for the Big Eight. The winners rallied

Cup by hammering Atletico Ma-West Virginia with 28 seconds left. from a nine-point deficit with 5:43 drid, 3-0. (UPI, AP) After Temple's Mike Vreeswyk left in the game.

#### SCOREBOARD

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Variational Service Se U.S. College Results

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Milwoulee 22 (Presse

WALES CONFERENCE

CAMPBELL CONFERENCE

er; Terry Blocker and Marcus Lawles, out-leiders, and Keith Miller and Zoile Sonches.

GOLDEN STATE-Signed Kes in Hender-

BASKETBALL

(Berry 8), Assists: Socromento 20 Assists: Houston 30 (McCroy 6); Denver 40 12); San Antonio 26 (Dawkins 7), (Lever 13).

Hockey

PGA Leaders ional Hockey League Standings ALES CONFERENCE
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W L T Pts G Corey Pevin
 Paul Azinger
 T.C. Chen
 Bernhard Lenser 5. Mork Colcoverchie 6. Johnny Miller 7. Hel Setten 8. Ben Creashow

Goulet (25), Sillonen 2 (8), A. Stostny (21), Piczard (8); Lowton (15), Wilson (11), Ciccondill (44), Bellows (18), Shehs an eyel: Mineeshia (on Gosselin) 8-12-17—71; Quebec (on Toikke) 15-18-7—32.

Detroit 8 0 2—2 Wassington (16), Ridder (26), Jerisan 2 (5), Gortner 2 (32), Howarth (20); Higgins (9), Ashton (32), Shehs on eyell: Detroit (on Peters) 8-712-34; Washington (on Stellar) (17), Situation (17), Situation (17), Fig. (17), Fig. (18), Control (18), Control (18), Control (18), Control (18), Shehs on eyell: Detroit (on Peters) 8-712-34; Washington (on Stellar), Shehs (18), Shehs (18 

Signature (necessary for credit card purchases)

Edminish 6 1 1-2 Phitsburgh 4 6 1-6 Chobol (14), Simpson (24), Young (6), Fran-lay (6), Siron (5); Coffey (12), Messler (28). Such so goot: Edmonton (on Rigoli) 9-6-2 22; Pittsburgh (on Moog) 10-7-6-21. Transition

BASEBALL

Americas Leotres

DETROIT—Signed Derreil Evens- first
Insperian-designated hister, to a sense the injured list.

COLLEGE

ALABAMA—Named Tommy Bowden to Tomey, fastiball coach, a four-year confract retractive to Jon. 13.

ARIZONA STATE—Announced the resigno tion of Robale Jerre, locited strength cooch. CHADRON STATE—Named Brad Smith tolipoli cooch. CREIGHTON—Signed Tony Barone, men's CREIGHTON—Signed form some manufactured businesses contract. ILLINOIS—Announced the resignation of Rick George, lootball recruiting coordinator.

Molone 14-20 10-13 38, Stockton 4-7 9-10 17; Ellis 10:24 4-7 2s. Chambers 6-14 6-6 15. Re-basads: Scattle 59 (Chambers, Lister 8); Utah 64 (Assione 13), Assists: Scattle 25 (Mc-Millan 7); Utah 26 (Stockton 13). L.A. Lokers Phoesix 24 22 24 22-77

Copper 7-13 5-6 71, Scott 6-12 9-10 21, Abdul-Jobbor 5-18 2-4 19; Nanca 5-196-6 22, Pincknev 6-63-4 15, Reboonds: L.A. Luders 50 (Green 15); Phoenix 51 (Nonce, Pincknev 9), Assists: L.A. Loker's 20 (Copper 7); Phoenix 25 (Nance 7). Golf

Captain Tudorel Stoica with Steama Bucharest's trophy.

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Los Angeles 4 4 9—1
Los Angeles (14), Bourne (8), Pair (1), Leovard (10), Nicholfs (12), Robitolite (16), Carson 7
(24); HowerCluk (29), Ellerit (1), Berry (2), Sobes, 792. John Mubriew, 797, 7, Tom (2), Shorts as good; Winnipas (on Jensen) 8-49—21;
Los Angeles (on Reddick, Penney) 16-95—20.

ISTION

Sen, guard, to a second 16-day contract, PORTLANG—Signed Perry Young, suard, 10 of 9-day contract, PORTLANG—Signed Perry Young, suard, 10 of 9-day contract, Portland Fernando Mortin, on-forward, on the injured list.

COLLEGE

At ARAMA—Normed Tommy Bowden took

PERCENTAGE OF SUB-PAR WOLES

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PERCENTAGE OF SUB-PAR WOLES LONDON

> Bernbord Longer 3 fled with 233 1, Dave Rummells and Dan Faraman, 6. 2. Mac O'Grady and George Burns, 5. 5. 7 lied

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#### ART BUCHWALD

# Nancy Reaches Out

WASHINGTON — There's don't you pack your bugs and take trouble at the White House, the next \$39 United flight to Syraand it has to do with communication. I have in my hand the transcript of a telephone conversation between Don Regan and Nancy

NANCY: Don, can we talk? DON: I told you never to call me at the office. What is it this time? NANCY: I want to know why you don't send me flowers any

DON: Because I'm trying to run the White House and you keep butting in with some crazy idea about the president to make my life

NANCY: 1 don't believe I'm Buchwald out of line by objecting to you sending Ronnie down the Snake River on a raft two weeks after his

prostate operation. DON: The president has a lot of admirers along the Snake River. NANCY: You don't care about Ron. All you're trying to do is make

an abrasive name for yourself. DON: If you keep talking like that I'm going to put you on NANCY: If you put me on

HOLD I'll sic my dog on you. DON: Nancy, you have to stay out of the Oval Office. Women just don't belong there.

NANCY: Listen, worm, we had a very nice White House until you took over as chief of staff. Why

#### Yehudi Menuhin Joins **British Order of Merit**

The Associated Press LONDON — The violinist Sir Yehudi Menuhin, 70, has been made a member of the Order of Merit, one of the highest honors conferred by the British monarchy,

Buckingham Palace announced. The Order of Merit, founded in 1902 by King Edward VII, consists of 24 members at any given time. Menuhin's appointment fills one of the vacancies created by the death of the sculptor Henry Moore and Harold Macmillan, the former

cuse?

DON: Stick to baking birthday cakes and leave the business of running the country to me.

NANCY: Why don't you stuff your Touchtone in your ear? DON: That does it Now I am going to hang up on you.

NANCY: You wouldn't dare bang up on the first lady. If you did you'd wind up as our next ambas-

DON: The president has assured me my job with him is safe. After the Tower report he needs me more

NANCY: Why does the presideat need you? DON: Because I'm the only one who tells him what he said and why

NANCY: Ronnie doesn't have to know anything. All he has to do is be himself.

DON: Are you finished? I have work to do to save the country from the horrible mess we got it into. NANCY: I want to know why you attacked me for supporting the

president's new communications chief because he was a cub Nazi when he was 10 years old. DON: I didn't attack you - I attacked the East Wing of the

White House where you work. All [ said was the East Wing was stupid. incompetent and interfered in West NANCY: Do you know what I

ispect, Donald Regan? You're trying to get me to resign as the first lady so you can have Ronnie all to

DON: It's not true. I know the president respects you very much and it's my job to make sure he never has to choose between us. In the meantime I think I'll hang up

NANCY: Don't you dare hang up on me. I was talking to Ronnie last night and we thought it would be nice if you took a private office next to Michael Deaver's. In that way you'd still be near to us and at the same time be out of our hair. DON: Nancy, may I ask you personal question? Why are you

calling me? NANCY: It's no mystery the telephone company wants us all to reach out and touch someone we

# **Musical 'Food** For the Soul'

By Andrew Clark

BERN — When the Soviet conductor Dmitri Kitayenko first visited Switzerland in 1982, he took musicians and audiences by storm. Half dictator, half sensitive musician harnessing the emotional charge of a Tchaikovsky symphony, he goaded the Bern Symphony Orchestra into one of its best concerts of the grad, where he studied piano and

Invited back two years later, Kitayenko was prevented at the last moment from coming, due to an engagement imposed on him at short notice by the Soviet authorities.

of the top musical posts in the man cities of Mannheim and Cologne. This time, however, there was less of the schoolmaster approach in rehearsal with which he had established an almost authoritarian control over the musicians in 1982. He cracked a joke world. or two, without compromising his musical demands or camoullaging his severe, no-nonsense personality. According to some of the Bern musicians, his manner showed he had learned that orchestras in the West prefer their conductors to treat them as equals. The concerts were evidence of Kitayenko's ability to earn the musicians' respect through his knowledge of the score, his faultless technique and

Kitayenko, 46, is one of a select group of Soviet musicians who face few problems gaining clearance from the authorities in Moscow for their travels in the West. Their privileges derive from their months a year touring with his willingness to accept their counown orchestra. In the West, his willingness to accept their country's political system without tion — in public at least and to be regarded as ambassadors for Soviet music making. Ki-dence. At home, there is more tayenko makes a good impression opportunity for him to tackle the

his highly expressive face and ba-

musically, he is well-paid and he is loyal.

"I make 'no intrigues, I say nothing bad about my country or my colleagues, I make no caprice.
If an orchestra asks me to conduct a particular work, I will do it. I don't need more: some artists' noses are too high in the air. Kitayenko was born in Leninviolin. His love for the singing voice developed as a student

chorus director at the Leningrad Conservatory, where his teachers quickly realized his talent for conducting. After study in Moscow, he was given the chance to spend a year in Vienna, where His long-awaited return visit conducting classes under Karl has just taken place. Kitayenko Osterreicher and Hans Swar-who, as chief conductor of the owsky took second place to at-Moscow Philharmonic, holds one tending rehearsals and performances at the Vienna State Opera Soviet Union — conducted or- and the Musikverein. Back in chestras in Bern, Lugano and Zu- Leningrad, a conducting seminar rich, as well as in the West Ger- given by Herbert von Karajan led to an invitation to take part in Karajan's conducting competition, which brought Kitavenko second prize and the chance to meet and make friends with contemporaries from all over the

> It is one of the ironies of Kitayenko's career that after establishing himself as an opera con-ductor at the Moscow Conservatory and the Stanislavsky theater, his only opportunities to conduct opera today are in Vienna and Cologne, where he returns in Oc-tober for Tchaikovsky's "Queen of Spades." At home he has a full program with the Moscow Philharmonic, which he inherited when Kyril Kondrashin, defected to the West in 1976.

Kitayenko says that after two weeks abroad, he automatically starts thinking of his homeland, his wife and his granddaughter. Apart from his guest work in the West, he spends up to two renditions of Shostakovich, Prokofiev, Rachmaninov and Tchaikovsky have always taken prece-



Kitayenko: "You can't make art with an angry face."

Alfred Schnitke as the most sig-nificant contemporary Soviet composer writing for the symphony orchestra.

As far as his own music is concerned, Kitayenko is prouder of his choral compositions than his orchestral works, which are "tucked away waiting to be played one day under an assumed name. I hear the orchestra as a conductor, not a composer. An orchestra is a complex of humanity, with different mentalities and personalities. When they come together, they must forget all their own problems and give their complete attention to the music. The atmosphere is dictated by the conductor, his eyes, his expression and the excitement he gener-

"If a conductor speaks too much, it becomes a class. If he has a dull expression, it is reflected in the music. If he stamps on a mistake, the player will become nervous and make another. You can't make art with an angry

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German repertoire. He describes string tradition, envious of the brass discipline of Western orchestras and conscious of a different "temperature of emotions": "The orchestras here like to play accurately and are propo of their profession. But depth and soul and excitement - these l always have to draw out in a way I don't have to at home. When music is made too much of a business or profession, it stifles creative instinct and encourages superficiality. In my country there are many problems and shortages, but culture is not one of them. In this mechanical age, we at least have food for the

> Dmitri Kitayenko conducts the Vienna Symphony Orchestra in a program of Shostakovich, Prokof-iev and Tchaikovsky at the Vienna Musikverein on Feb. 26, 27, 28, and the Berlin Philharmonic Or chestra in works by Ravel, Ibert and Shortakovich at the Philharmonie in West Berlin March 3, 4.

> Andrew Clark is a journalist and music critic based in Switzerland.

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SECRETARIAL

#### PEOPLE

# 'Oldies' Win Grammys

sung by Warwick, Sterie Wonder, Gladys Knight and Elton John, took

of Recording Arts and Science's were Bela Bartok's "The Complete 1974. String Quartets," performed by the Juilliard String Quartet; Maria Cal-

The fashion designer Norma Kanali was fined \$10,000 for employ-was dedicated in 1984 in Lignano. ing sweatshop workers, said New York state officials whose investispring line cost her national sales of 4-million-lire (about \$3,000) prize. dresses, suits and sportswear. which was instituted in 1985, has in Union officials, who turned Ka- the past been awarded to figures in mali in to the state, called the fine journalism, literature and enter-"a very significant action. It proves our allegations are true and correct, and shows that home work is illegal and cannot be gotten away with," said Jeff Hermanson, director of the International Ladies Garment Workers Union Local 89-22-1. neighbors in Honolulu by singing Union members placed Kamali's love songs through a microphone, midtown Manhattan boutique and is seeking a full-time, live-in piaheadquarters under surveillance mist. "She is tired of singing her

Steve Winwood, Paul Simon and Hermanson said. Union undercond Diomne Warwick were among other or workers saw women carrying and familiar names in the 29th annual Grand Among nual Grammy Awards. Winwood's to subway stations. The union re-"Higher Love" won record of the ported that the women were sewing year and best male pop vocal hon-ors while the AIDS charity song cases pressing children into service.

"That's What Friends Are For,"

Hermanson said.

two trophics, including one for the writers Burt Bacharach and Carole across the stage in a navy blue suit Bayer Sager. Simon's controversial and pink-and-white tutu after re-"Graceland," laced with South African township rhythms and harmonies, took album of the year, his Cambridge, Massachusetts. He 11th career Grammy. Other tro- wore the suit when he entered the phies went to Barbra Streisand and theater Tuesday night to receive the Tu with four nominations, walked donned the min after it was preaway empty-handed. Six sented by producers of the Hasty songs recorded before the Grammy Pudding's 1987 show, "Bye. Bye. Awards were begun in 1958 were Verdi." The show had its premiere voted into the recording academy's after the ceremony. "I understand hall of fame, including "And The why all this presentation happened Angels Sing" by Bensy Goodman, before the performance, because "Blueberry Hill." by Fats Domino, probably this award is an equivaand "If I Didn't Care," by the Ink lent of a medal for heroism or brav-Spots. Also named to the hall of ery," said Baryshnikov, the 39-fame by the National Association year-old artistic director of the American Ballet Theater who de-94-member elections committee fected from the Soviet Union in

Defense Minister Giovanni Soams and others in a recording of the Puccini opera "Tosca;" and Mary Martin and Ezio Pinza, featured in the original cast recording of "South Pacific."

\*\*South Pacific.\*\*

\*\*The winners were announced By the puccinity of the dollar is among the winners of the awarded on May 17 in Lignano. Italy. The winners were announced By the puccinity of th on Tuesday by a jury including the director Michelangelo Antonioni and the entertainer Pippo Bando. A was dedicated in 1984 in Lignano, the northeastern beach resort the American author called "the Florigation led her to cancel her spring da of Italy" and where an annual line. Kamali will not appeal the Hemingway festival sponsors the fine, her spokeswoman said Tuesday. The cancellation of Kamali's joyed duck hunting in the area. The tainment. Spadolini, a former his-

seida Marcos, who awakens late last year after she dissolved an favorite song. "Sentimental Jour-agreement with a manufacturer ney, alone," said a Filipino friend, and took over her own production, "She wants a pianist on call."

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